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PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सक ।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LABOUR AND EMPLOYMENT

NOTIFICATION

New Delhi, the 10th February, 1966

S.O. 539.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the National Industrial Tribunal, New Delhi, in the industrial dispute referred to the said Tribunal by the notification of the Government of India, in the Ministry of Labour and Employment No. S.O. 2561 dated the 25th July, 1964, which was received by the Central Government on the 29th January, 1966.

AWARD

CHAPTER I

Introductory

This is an award upon a reference made by the Central Government under Section 10(1A) of the Industrial Disputes Act.

2. The constitution of a National Industrial Tribunal and my appointment as its Presiding Officer, were notified by the Central Government (Ministry of Labour and Employment) in its notification No. S.O. 2560 dated July 25, 1964, and published in the Gazette of India Extraordinary, Part II, Section 3, Sub-section (ii) of the same date. On the same day, by order No. S.O. 2561 published in the same Gazette of India Extraordinary, the present reference was made to the Industrial Tribunal thus constituted. This order is in the following terms:

“Whereas the Central Government is of opinion that an industrial dispute exists or is apprehended between the management of Air-India and their workmen, in respect of the matters specified in the Schedule hereto annexed which are either matters in dispute or matters appearing to be connected with or relevant to the said dispute and that the dispute involves questions of national importance and also is of such a nature that the establishments of Air-India situated in more than one State are likely to be interested in, or affected by, such dispute;

And whereas the Central Government is of opinion that the dispute should be adjudicated by a National Tribunal;

Now, therefore, in exercise of the powers conferred by sub-section (1A) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby refers the said dispute to the National Tribunal constituted by the notification of the Government of India in the Ministry of Labour and Employment No. S.O. 2560, dated the 25th July, 1964 for adjudication.

SCHEDULE

- I. (1) Scales and grades of pay.
- (2) Fixation in the new pay-scales.
- (3) 4-weekly rates of payment of grade pay.
- (4) Dearness allowance.
- (5) House rent allowance/conditions governing allotment of accommodation.
- (6) Duty allowance.
- (7) Machine allowance.
- (8) Transport/car/conveyance allowance.
- (9) Over-time payment.
- (10) Working on schedule “off day”/holidays
- (11) Jet/hazard allowance for ground staff.
- (12) Shift allowance.
- (13) Licence allowance.
- (14) Heavy duty vehicle allowance.
- (15) Jet allowance (cabin attendants and flight crew).
- (16) Overseas operations allowance.

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- (17) Travelling allowance.
 - (18) Excess flying pay/excess duty allowance.
 - (19) Efficiency bonus.
 - (20) Insurance coverage.
 - (21) Provident Fund.
 - (22) Flight duty time and flight time limitations and rest periods.
 - (23) Leave facilities.
 - (24) Standard force (cabin attendants and flight crew).
 - (25) Compensation for death or injury (relating to cabin attendants and flight crew).
 - (26) Compensation for loss or damage to baggage of cabin attendants and flight crew.
 - (27) Passage regulations.
 - (28) Washing allowance.
 - (29) Accommodation layover allowance at layover stations.
 - (30) Medical benefits/facilities.
 - (31) Retirement age.
 - (32) Foreign allowance.
 - (33) Senior Check Pursers' Instructional Allowance.
 - (34) Outstation allowance.
 - (35) Resettlement allowance.
 - (36) Children allowance.
 - (37) Driving allowance.
 - (38) Hours of work.
 - (39) Promotion.
 - (40) Gratuity.
 - (41) Command pay (Senior Captains).
 - (42) 2nd Class Navigators' licence allowance.
 - (43) Radio/Telephone allowance.
 - (44) Check Pilots' allowance.
 - (45) Night flying allowance.
 - (46) Retirement benefits/alternative employment, for medically unfit flight crew.
 - (47) Travel on duty.
 - (48) Flight Engineer Instructors' allowance.
 - (49) Check allowance for check flight engineers.
 - (50) Salary for cadet flight engineers.
 - (51) Special travelling allowance.
 - (52) Emoluments of Check Navigators.
 - (53) Endorsement allowance (Aircraft Maintenance Engineers).
 - (54) Meal allowance.
 - (55) Secondary increments.
 - (56) Date of implementation.
 - (57) Interim relief.

II. What relationship, if any, should the wage-structure of Air-India bear to the wage-structure of Indian Airlines with reference to comparable categories of workmen performing similar functions?

3. It will be observed that the reference covers almost all aspects of the multiple relationship between employer and employed. The circumstances, which have given rise to and necessitated such a comprehensive reference, will be narrated in a subsequent chapter of this award, but here I may state at once that during the course of the hearing of this reference, a number of matters were settled by mutual agreement between the parties concerned, and my task has, to that extent, been made lighter. The parties to these proceedings are Party No. 1, Air India Corporation, Bombay (to which it will be convenient to refer as the Corporation or the Management) and its workmen which fall into the following six categories :—

Party No. 2—Air Corporations Employees' Union, Bombay.

Party No. 3—Air India Employees' Union, Bombay.

Party No. 4—Indian Pilots' Guild, Bombay.

Party No. 5—All India Aircraft Engineers' Association, Bombay.

Party No. 6—Indian Flight Navigators' Guild, Bombay.

and

Party No. 7—Indian Flight Engineers' Association, Bombay.

4. It will be convenient to refer to the various categories of workmen as Party No. 2, Party No. 3, Party No. 4, etc. instead of setting out the full designation each time.

5. The constitution of Parties 4, 5, 6 and 7 is self-evident by their nomenclature. Party No. 2—Air Corporations Employees' Union and Party No. 3—Air India Employees' Union, comprise non-technical as well as technical employees of the Corporation who, broadly speaking, draw salaries of Rs. 650 per mensem and less.

6. Originally, all the employees belonging to these two Unions, were members of Party No. 2 which was and continues to be a recognised Union. A split between the members took place in September 1962, and the dissidents formed themselves into a separate Union calling themselves the Air India Employees' Union, i.e. Party No. 3. This Union has not so far obtained official recognition from the Corporation, but its members were represented before me by counsel who have been heard in support of their demands. The members of the six unions (Parties 2 to 7) comprise all sections of the Corporation's employees who fall within the definition of "workman" given in Section 2(s) of the Industrial Disputes Act, 1947 which will henceforth be referred to as the Act. Thus, the reference covers not only all aspects of employment and service conditions but embraces all employees of the Corporation of all grades and classes who can be called workmen under the Act.

7. Since these proceedings started in August, 1964, there has been, as already observed, some modification and reduction in the extent of the dispute, occasioned by a number of agreements reached between the Corporation and some of the parties with regard to a number of matters enumerated in the Schedule annexed to the order of reference. I may straightaway describe the nature of these agreements and the consequences

flowing therefrom, so that the shape and the scope of the matters still in dispute and which have, therefore, been discussed and disposed of in the following pages, may at once be comprehended:

- (i) On December 30, 1964, a joint application on behalf of the Corporation and Party No. 2 was made to this Tribunal, stating that an agreement had been reached on the question of interim relief (Item No. 57 in the Schedule), and praying that an award be made in terms of the settlement. A previous application for the grant of an interim award by Party No. 3 had been rejected by me on November 23, 1964, on the ground that I had not before me sufficient material to adjudicate upon the matter. Party No. 3 raised an objection to the application now made jointly by the Corporation and Party No. 2. The application and the objection were heard and after the objection had been rejected, an award based on the agreement was made by me and this was published by the Central Government (Ministry of Labour and Employment) in its notification No. S.O. 651, dated the 15th February 1965. The published award, forming Appendix I to this award, sets out the terms of the settlement, the nature of the objection raised by Party No. 3 and my decision thereon. Thus was disposed of the demand under Item No. 57 made not only by Party No. 2 but also by Party No. 3 because the award included within its ambit all employees drawing a salary of less than Rs. 650 per mensem. No demand for interim relief was made by any of the other parties.
- (ii) On May 24, 1965, Party No. 4 came to a settlement with the Corporation regarding Item No. 46—Retirement benefits/alternative employment, for medically unfit flight crew. A joint application was made to this Tribunal for making an award in terms of the agreement arrived at on this item. No orders were passed by me on this application but I propose to accept the settlement and embody it in the present award. The agreement forms Appendix II to this award.
- (iii) An agreement similar to the above, relating to the same Item No. 46, was arrived at between Party No. 7 and the Corporation on the 29th May 1965. This settlement also will be made a part of the present award and is printed as Appendix III.
- (iv) On July 26, 1965, an agreement was arrived at between the Corporation and Party No. 4 and a settlement was reached in respect of all demands contained in the Charter of Demands submitted by the Indian Pilots' Guild including the items 1 to 5, 15, 16, 18, 19, 21 to 27, 29 to 32, 34, 40 to 45, 47, 51, 56 and 57, but four matters *viz.*, Item No. 21—Provident Fund, Item No. 27—Passage Regulations, Item No. 31—Retirement age and Item No. 40—Gratuity, were not finally disposed of. The decision with regard to them was left for determination by this Tribunal. After this agreement had been reached and, on the same day, a joint application was made by the Corporation and Party No. 4, praying that the Tribunal make an award in terms of the settlement arrived at. The application was allowed and I made an award based on the settlement and directed that the agreement form part of my award. The award (Part I) thus made was published by the Government of India on August 16, 1965. Therefore, as far as members of Party No. 4 are concerned, only

the four items enumerated above, remain to be decided. All other disputes arising out of their demands have been settled by mutual agreement. The agreement is printed now as Appendix IV.

- (v) On the 15th April, 1965 a joint application was made before me by Air-India and the All-India Aircraft Engineers' Association (Parties 1 and 5) requesting an adjudication upon the question whether Assistant Superintendents of the Engineering Department were workmen within the meaning of the Industrial Disputes Act. Another application was made by Party No. 5 on the same subject in respect of Deputy Superintendents. These applications were disposed of by my Order No. 20, dated the 29th June, 1965 in which I held that the Assistant Superintendents were to be considered workmen while Deputy Superintendents were not to be considered workmen nor could their case be taken up by Party No. 5. A copy of the order issued is at Appendix V. Thereafter the parties entered into negotiations and on October 15, 1965 an agreement was arrived at between Party No. 5 and the Corporation and by this agreement, a number of demands made by Party No. 5 were dropped. The demands regarding Item No. 27—Passage Regulations, Item No. 31—Retirement age, Item No. 38—Hours of work and Item No. 40—Gratuity, were left for the decision of the Tribunal and on all the remaining items a settlement was reached. Upon an application made to this Tribunal an award (Part II) has already been made on the basis of this agreement which is printed as Appendix VI.

8. The result, therefore, is that all matters in dispute between the Corporation and Parties 2, 3 and 6 and all except one demand of Party No. 7 remain to be considered and decided; whereas, only a few of the demands of the remaining Parties 4 and 5 have been left for the decision of the Tribunal while the rest have been disposed of by means of negotiations and mutual agreement.

CHAPTER II

Grouping of Items and Preliminary Objections

In August 1964 notices were issued to all the 7 parties to these proceedings, calling upon them to file their written statements within 15 days, so that the hearing of the various matters in dispute could be commenced without delay. But several months were to elapse before the preliminary formalities could be completed and the impediments which are a usual and perhaps inevitable feature of such proceedings were overcome. The first request for extension of the time-limit of 15 days came from the Corporation on the ground that a detailed and comprehensive statement of their case on all the 57 items could not be prepared in such a short time. The Corporation prayed for a further period of four weeks. I granted a fortnight's extension ending on September 28, 1964. Similar requests were made by parties 2, 4, 5, 6 and 7, while Party No. 3 asked for a fortnight's extension. Before the appointed date (September 28, 1964), the Corporation set up a Negotiating Committee on September 18, 1964, for the purpose of discussing its differences with the employees and endeavouring to arrive at an agreed settlement. This perfectly laudable venture occasioned a great deal of delay for it became a fulcrum for leveraging up

requests for postponements and extensions of time. Intimation of the formation of the Negotiating Committee was given to the Tribunal on September 21, 1964, and it was explained that it was the intention of the Management to do its very best to resolve the differences between the parties to such extent as was feasible. Parties 2, 4, 5, 6 and 7 now prayed for a further extension of four weeks beyond September 28, 1964, basing their request on the new and unanticipated move of the Corporation in appointing a Negotiating Committee. I allowed them a fortnight's extension and directed that the written statements must be submitted by October 12, 1964. The parties were also advised that the submission of written statements of claims and rejoinders thereto did not debar them from carrying on mutual negotiations in order to arrive at a settlement on some or all the matters involved in the dispute, and that such settlement was, in any event to be considered by the Tribunal before it could be implemented and made legally binding. It was, therefore, impressed upon them that the file of the Tribunal should be completed as early as possible. The Corporation and Party No. 3 did, in fact, put in their respective written statements on September 28, 1964, the date already fixed.

2. On October 12, 1964, a telegraphic request for a week's further extension was received from Parties 2, 4 and 7. I was obliged to grant this request. Parties 2, 4, 5, 6 and 7 now filed a preliminary statement raising a legal objection, impugning the Central Government's Order of Reference as void, *ultra vires*, illegal and contrary to law. Notice of this objection was sent to the Corporation and parties were informed that arguments on this preliminary point would be heard by me on November 6. But there was still another delay of a few days, and I began hearing arguments on the preliminary objection on November 16 at Bombay. On November 23, 1964, I passed an order dismissing the objections and directing the parties to put in their written statements and replications after exchanging their statements. I fixed January 14, 1965, at Bombay for the hearing of the case on merits. A request for extension of time for filing its replication was made by the Corporation. The hearing was, however, not postponed and on the 14th and 15th of January the hearing took place at Bombay. On these dates the matter of Interim Relief was heard and an award based on the agreement arrived at between the Corporation and Party No. 2 was formally made. Also a tentative schedule of further hearings and their scope and the arrangement of the various items into convenient and homogeneous groups were discussed in detail. Item No. 57 having been disposed of, it was decided to group the remaining 56 items as follows :—

I. *Pay and Allowances*

Item Nos. 1, 3, 4, 5, 6, 7, 8, 11, 13, 14, 15, 16, 19, 28, 33, 36, 37, 41, 42, 43, 44, 48, 49, 50, 51, 52, 53 and 55 of Part I and Part II of the Schedule.

II. *Hours of Work, Leave etc.*

Item Nos. 9, 10, 12, 18, 22, 23, 38, 45 and 54.

III. *Retirement Benefits*

Item Nos. 20, 21, 25, 31, 40 and 46.

IV. *Transfer, Posting etc.*

Item Nos. 17, 29, 32, 34, 35 and 47.

V. *Medical and Welfare*

Item Nos. 26, 27 and 30.

VI. Standard Force and Promotion

Item Nos. 24 and 39.

VII. Fixation and Date of Implementation

Item Nos. 2 and 56.

3. Counsel for all parties suggested that Group III relating to Retirement Benefits be taken up for consideration first, and then Groups 11 and I, and thereafter arguments and evidence on the remaining Groups should be heard. This suggestion was agreed to, and March 1, 1965, was fixed for hearing the evidence and arguments on merits at Bombay. In all 10 sessions of the Tribunal were held at Bombay each session lasting from 4 to 10 working days. Oral as well as a mass of documentary evidence was adduced by the parties. As many as 355 documents were referred to by counsel for parties and then placed on record. A complete list of these exhibits appears in Appendix VII. The oral evidence consisted of the statements on oath of five witnesses. L. B. Bhatia, Flight Navigator was called by Party No. 6 and Captain Maulik, Chief Pilot, was called by the Corporation, to give evidence on the question of Flight Navigator's status and the nature of his duties in modern jet aircraft. V. S. Bhagat, Engineer, called by Party No. 5 and M. P. Kharkar, called by Corporation, were examined on the issue whether Assistant Superintendents and Deputy Superintendents can be classed as workmen within the meaning of Section 2 of the Industrial Disputes Act. And finally, V. P. Menon was examined to depose to facts having a bearing on the demand for the house rent. All these witnesses were examined and cross-examined at considerable length.

4. The last hearing took place on October 9, 1965. On that date there remained to argue some of the demands made by the All-India Aircraft Engineers' Association, Party No. 5, and for this purpose the hearing was adjourned to October 20, 1965. But before that date, a settlement was reached between the Corporation and Party No. 5 and intimation of this fact was sent to the office of the Tribunal at Delhi. Duly authorised agents of the Corporation and Party No. 5 came to Delhi and placed the agreement on the file of the Tribunal after verifying it. I have already made mention of this agreement and the award consequent upon it in Chapter I.

5. Mention has been made of a preliminary objection impugning the validity of this reference and of my order repelling the objection. The order was announced to the parties but was not submitted to the Central Government as an award, nor was it published in the manner awards of industrial tribunals are required to be published under the provisions of Section 17(1) of the Act. Since it might be argued that this order can be construed as an award within the definition of 'award' as set out in Section 2(b) of the Act, and also because the preliminary objection might be revived if the present award is challenged or discussed in another forum, I, out of abundant caution, reproduce my order below in order to give it formal validity, and make it a part of my final award:

"The appointment of this Tribunal was notified by the Central Government (Ministry of Labour and Employment) by its Notification S.O. 2560 on the 25th July 1964. On the same day, by Notification S.O. No. 2561, an industrial dispute between the management of Air-India and their workmen was referred to the Tribunal for adjudication. The matters in dispute are set out in a Schedule attached to the notification and there are in all fifty-seven items of dispute between the management of

Air-India and their workmen and there is also an item relating to the relationship between the wage structure of Air-India and the wage structure of Indian Airlines, with reference to comparative categories of workmen performing similar functions.

2. The parties to these proceedings are:

Party No. 1 Air India Corporation, Bombay, to which it will be convenient to refer as the 'Corporation' or the 'Management'

and

Their workmen which fall into six categories as follows :

Party No. 2 Air Corporations Employees' Union, Bombay.

Party No. 3 Air India Employees' Union, Bombay.

Party No. 4 Indian Pilot's Guild, Bombay.

Party No. 5 All India Aircraft Engineers' Association, Bombay

Party No. 6 Indian Flight Navigators' Guild, Bombay, and

Party No. 7 Indian Flight Engineers' Association, Bombay.

It will be convenient to refer to the various categories of workmen as Party No. 2, 3, 4 etc. instead of setting out the full designations.

3. A preliminary objection by Parties 2, 4, 5, 6 and 7 has been raised with regard to the validity of this reference and it has been alleged that the order making the reference is bad in law, illegal, *mala fide* and inoperative. The grounds upon which this objection is based are set out in the written statement of Party No. 2 and these grounds are supported by the other parties raising the objection. Before discussing the grounds upon which the preliminary objection is based, it is necessary to set out the circumstances which gave rise to the reference.

4. For several years now, certain matters arising out of wages and other conditions of service have been the subject matter of agreements and settlements between the Management and its workmen. On 1st April 1959 a settlement was arrived at between the Management and Party No. 2 upon certain matters. Certain other matters were referred, with the agreement of the parties, to a Committee of Arbitration on the same day. Upon these matters an award was given and the award was published in the Bombay Government Gazette. Some points in this award which required elucidation were settled by an agreement between the Management and Party No. 2 on 30th November 1961. There was another agreement about certain other matters also between the Management and Party No. 2, arrived at on 26th September 1963. There were similar agreements between the Management and Party No. 4 arrived at on 1st January 1960; between the Management and Party No. 5 on 9th September 1960; between the Management and Party No. 6 on 27th March 1961 and between the Management and Party No. 7 on 12th July 1960 and 11th October 1962. The workmen were, however, not satisfied about their wages and conditions of service and a series of demands were made by them. A Charter of Demands, for instance, was presented by Party No. 2 on 30th December, 1963. Party No. 3 served a Notice of Termination of

the Settlement on 21st November 1963 and a Charter was presented on its behalf on 27th January 1964. A memorandum was presented on behalf of Party No. 7 in 1963 (the exact date is not mentioned in the copy of the memorandum filed before me). I need not here give further details of some other charters and demands which were made by the various parties and it will be sufficient to observe that relations between the Management and their workmen were steadily becoming worse and approaching a crisis. Indeed, on 14th March 1964, Party No. 2 issued an Information Bulletin in which the following direction appeared:

"The Regional Committee has further decided that if the above are not heeded by the Management, the Committee would have to, although reluctantly, decide and direct that the rank and file should not continue to extend their co-operation and if the situation so warrants, the ACEU would direct that from 21st March 1964 in respect of certain issues the members would withdraw their co-operation—these may take, to start with, the form of no overtime work, no holiday/Sunday work, confirmation of the process of 'no work thru' break', and other forms as may be decided upon by the Union from time to time."

On the same day a letter was addressed to the Assistant General Manager of the Management in which mention was made of the "smouldering discontent" which would one day result in 'aggressive steps'. On the 19th March 1964, another Information Bulletin was issued on behalf of Party No. 2 in which it was announced:

"We have, therefore, although very reluctantly, decided that from 21st March 1964 onwards the following directive should be followed until further notice. This directive comes into force from 00.00 hours on 21st March 1964:

- (1) NO WORK THROUGH BREAKS.
- (2) NO OVERTIME BEYOND THE SCHEDULED HOURS OF WORK.
- (3) NO HOLIDAY AND SUNDAY WORK."

The Government realised the seriousness of the situation and on 24th March 1964, Shri Raj Bahadur, Minister for Transport, made a statement in the Lok Sabha announcing the intention of the Government to appoint a commission to undertake a detailed and comprehensive enquiry into a number of matters. These matters related to the grievances of the workmen and the "obligation cast under the law on the Corporation to offer to the public safe, efficient, adequate and economic air transport service on reasonable charges". On June 6, 1964, another Information Bulletin was issued on behalf of Party No. 2 in which objection was taken to the steps which the Management was taking to grant interim relief to its workmen. On June 20, matters worsened and in an Information Bulletin issued by Party No. 2, a direction was given that all concerned should follow 'work to rule' policy with effect from 00.00 hours on Sunday, June 21. This, the bulletin said, was merely a preliminary step to demonstrate the workmen's feelings and if their patient and peaceful efforts were not honoured by the Management, the employees would be compelled to "resort to positive steps to assert themselves to secure their justifiable demands". A few days later, another Information Bulletin was issued containing the following direction:—

"The Action Committee has further decided that in addition to work-to-rule already in force, there should be no overtime

work effective 20.30 hours on 26th June 1964 and no Sunday work with immediate effect."

The work-to-rule directive was, in fact, in operation from June 26, 1964, to July 6, 1964. It was during this period that the Government issued a press-note announcing that a retired High Court Judge had been appointed as Chairman of the Commission of Enquiry adumbrated in the statement of the Minister for Transport made on March 24, 1964. Matters, however, did not improve and on July 7, 1964, Party No. 2 gave a strike notice to the Management under sub-section (1) of Section 22 of the Industrial Disputes Act. This was followed by another strike notice by Party No. 3 on July 10, 1964. On July 25, the appointment of the present Tribunal was announced and the industrial dispute was referred to it for adjudication.

5. The preliminary objection raised on behalf of Party No. 2 and Parties 4 to 7 is set out under a number of heads but in the main the grounds are three-fold:

- (i) There is, in fact, no dispute between the Management and the workmen because all agreements and settlements arrived at between them are still valid and in force.
- (ii) The strike notice served by Party No. 2 only required the Management to begin negotiations regarding certain matters and this strike notice, therefore, does not make it obligatory for the government to make a reference of the dispute as required by the second proviso to sub-section (1) of Section 10 of the Industrial Disputes Act.
- (iii) The government had not applied its mind before forming its opinion that an industrial dispute existed or was apprehended within the meaning of sub-section (1) of Section 10. Therefore the reference was unlawful and *mala fide*.

6. The definition of 'dispute' given in the Shorter Oxford Dictionary is: 'An act of arguing against; controversy; debate; an argumentative contention of a controversy'. The definition includes a difference of opinion and a logical argument. The verb 'dispute' means, 'to contend with opposing arguments or assertions; to discuss; to argue and to hold a disputation. Therefore, whenever two parties are not *ad idem* upon any matters and hold different opinions which may lead to further conflict between them, a dispute can be said to exist. The legal scope is even wider and the definition given in Section 2, clause (k) is as follows:

"Industrial dispute means any dispute or difference between employers and employers or between employers and workmen or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour of any person."

Here, we find, there is a difference between employers and all the workmen. There is indeed, a difference even between Party No. 3 and Parties 2, 4, 5, 6 and 7 because Party No. 3 has before me supported the reference whereas a preliminary objection has been raised on behalf of the remaining five parties.

Whenever a difference of opinion has to be resolved either by discussion or by the intervention of a third party such as a conciliation officer, a tribunal or a court of law, it may be said that a dispute between the

parties exists for, if the dispute is not so resolved an amicable and co-operative relationship between the parties cannot subsist. If between the employer and the employee there is a difference of opinion about any matter relating to wages, conditions of service etc., such difference of opinion cannot be allowed to persist. It must be resolved or else the relationship will be disrupted or worsened to an extent of which the consequences may well be serious not only to the two parties, but to other persons and the public. There is no doubt at all that in the present instance there were differences upon several matters between the Management and the workmen. Despite the settlements and binding awards to which a reference has been made in the earlier part of this order, the workmen made certain demands. They wished that either these demands be conceded or discussed and negotiated. This in itself shows that there was a dispute in the sense I have stated above. Indeed the workmen were taking a very serious view of the relationship because they spoke of withdrawing their co-operation, and went to the extent not only of issuing a work-to-rule directive but also giving a strike notice. In view of this, to say that there was no dispute because the previous settlements and agreements were still in force would be to stretch the meaning of an agreement beyond the strain it can bear. The existence of a valid agreement does not rule out a dispute; for an agreement even during its validity may be terminated or disregarded by either party, or there may be a desire to vary its terms. The expression of a desire to vary the terms of an agreement gives birth to a dispute. In this case, however, matters went much beyond the expression of a desire to revise the terms of the agreement. There were charter of demands made on behalf of the workmen and these were followed by positive action in the form of a work-to-rule directive and strike notices.

7. All that Section 10 requires is that where the appropriate government is of the opinion that any industrial dispute exists or is apprehended, it may by order in writing make a reference of the dispute. The opinion of the appropriate government is a subjective matter and no Tribunal or Court can enquire into the nature of the material upon which this opinion was based. The court can, however, hold the opinion to have been unlawfully formed if there is no material or evidence whatsoever upon which any reasonable person could come to the conclusion that a dispute exists. This, however, is not the case in the instance before me. There is material, and substantial material, showing that the Corporation and its workmen had differences between them and these differences related to their mutual relationship such as conditions of service, wage structure etc., and that being so the opinion of the Central Government cannot be questioned. The law on the point has been clearly laid down in a large number of cases to which it is not necessary to refer here. The circumstances which led to the reference make it abundantly clear that there was material upon which the Central Government was entitled to form an opinion regarding the existence of a dispute.

8. Again it has been argued that the Central Government did not apply its mind to the matter because the Schedule in which the matters in dispute are set out omits certain of the demands made on behalf of the workmen. It was further argued that there were certain matters which were not raised by the workmen and which have been referred for adjudication. My attention was drawn to items 7, 16, 17, 20, 23, 24, 25 and 54. Many of these items however overlap and some of the demands made on behalf of the workmen are covered by the items which have actually been referred to the Tribunal and merely because the items in the

Schedule do not correspond in every minor respect with the demands made on behalf of the workmen, it cannot be held that the Central Government did not apply its mind to the matter. Indeed if there is any item upon which there is no dispute and there is complete agreement between the Management and the workmen, the Tribunal will not feel the necessity of going into it. This apparent superfluity or lack of exact correspondence does not affect the validity or legality of the reference in any manner.

9. Finally it was argued that the reference was *mala fide* because the strike notice was merely intended to call the Management to the negotiating table. I find it impossible to take this view. The strike notice clearly says that it was a notice under section 22(1) of the Industrial Disputes Act and such a notice makes it incumbent upon the appropriate government to refer the dispute under the second proviso to sub-section (1) of Section 10. Apart from this, however, the succession of events which preceded the reference makes it abundantly clear that not only was there an apprehension of a serious dispute arising between the parties, but there was indeed a dispute which required settlement. A work-to-rule direction had already occasioned some dislocation of the air services and considerable inconvenience to the public. The workmen were making demands which the Management did not feel justified in immediately conceding. Asking for negotiations on certain matters did not mean that there was no dispute. Indeed the circumstances set out above disclose a picture of conflict and a crisis in the industry which clearly demanded instant attention. Government had intervened by announcing the intention to appoint a commission and when this did not improve matters and a strike notice was given, the present Tribunal was appointed.

10. Counsel for the unions cited before me a number for rulings on which reliance was sought to be placed. These rulings, however, do not support the contention that the present reference is invalid. Indeed in none of the cases cited was it held that a reference in similar or even distantly related circumstances was invalid. I may briefly refer to the various cases cited. In 1960(1) Labour Law Journal 491, Supreme Court held that even the members of a minority union may, acting collectively give a notice to terminate an award binding upon the management and the employees. In 1961(1) Labour Law Journal 303, it was held that a settlement under section 18 of the Industrial Disputes Act is binding only if it is arrived at with the assistance and concurrence of the conciliation officer. Counsel for Party No. 3 contended that since the present agreements had not been arrived at with the assistance of the conciliation officers, they were not binding and did not need to be terminated. Some of the agreements, however, did bear the signature of the conciliation officer. But this makes no difference to the case, because here it is not a question of whether the agreement was binding or not but whether there was a desire and the expression of that desire to change the terms of the agreements. Upon this point there can be no two opinions because the workmen had persistently and repeatedly made demands wholly inconsistent with these agreements.

11. In 1962(1) Labour Law Journal 611, the presentation of a charter of demands was considered enough to terminate the settlement between the two parties. This ruling cited by Party No. 3 who supported the reference can lend support to the validity of the reference although the facts of the case were somewhat different to the facts of the case before me. In 1953(1) Labour Law Journal 174 there was a dispute between the

Management of a cinema house and its workmen. This was followed by a reference which covered the entire body of workmen in all the cinema houses. The fact that the Prabhat Talkies with which the dispute originally arose settled the dispute with *their* workmen did not invalidate the reference. The case has hardly any bearing on the matter before me but it does go to show that a dispute may remain a dispute even though some of the workmen enter into an agreement with the management.

12. For the reasons given above, I must find that there was an industrial dispute between the Management of Air-India Corporation and its workmen as defined in section 2 of the Industrial Disputes Act and that the reference made by the Central Government was validly made."

CHAPTER III

Brief History of Civil Aviation in India

For a proper appreciation of the nature of the demands made by the various unions and for making a just assessment of the workmen's real needs, as also of the capacity of the Corporation to bear the additional burden sought to be imposed by these demands, it is relevant to make a quick retrospect of the history of Civil Aviation in India and state briefly the manner in which the Air-India Corporation came to be established and the circumstances which have contributed to its progress and brought it to its present status.

2. In preparing the narrative which follows, I have borrowed largely from the very lucid and detailed account set out in the report of the Air Transport Enquiry Committee, 1950, and the award made by Shri D. V. Vyas, who presided over the Committee of Arbitration entrusted with the consideration of an industrial dispute between the Air-India International, Bombay, and some of the workmen employed by it. That dispute arose out of demands under 56 heads made by the Air Corporations Employees' Union represented before me by Party No. 2. Many of these demands form the subject matter of the present reference, and in the comprehensive and voluminous award made by Shri Vyas, he reviewed the history of civil aviation in India at considerable length. The annual reports of the Corporation have also provided a mine of information upon the facts here set out. Counsel for parties relied upon these three sources and accepted the accuracy of the data of which I have made use. To these sources I owe a debt of gratitude.

3. The beginning of civil air transport in this country was made in 1931. After an abortive attempt to set up an Indian State Air Service, arrangements were made with the Imperial Airways Limited to operate an air service between Delhi and Karachi under a charter of agreement with the Government of India. The arrangement did not prove satisfactory, and on the expiry of the agreement, the Delhi Flying Club was entrusted with the task of carrying mails, while the transport of passengers by air was for the time being discontinued.

4. A fresh beginning was made in October 1932, when Tata Sons Limited organised a weekly service between Karachi and Madras with intermediate halts. The aircraft in commission consisted of two light single-engined planes, and their freight was comprised almost entirely of mails carried under contract with the Government of India or offered privately. The Tata Airline soon established a reputation for safety and

regularity, and in 1934 doubled the weekly frequency on the Karachi-Madras route. In the following year, the Company started a weekly service between Bombay and Trivandrum, and in 1937, further extended its activity by starting a bi-weekly service between Bombay and Delhi. In the meantime, another company, the Indian National Airways Limited, came into existence. This company, with its headquarters at Delhi, started a weekly service between Karachi and Lahore, linked with the Imperial Airways service at Karachi. The various services mentioned above were operated during fair weather only as ground organisation had not yet been sufficiently developed to permit operation during the rainy season or when climatic conditions were adverse or difficult.

5. The next important stage of development was reached with the introduction of what was known as the 'Empire Airmail Scheme.' Under this scheme, the whole of the letter mail between the Empire countries and the United Kingdom/Australia and United Kingdom/Africa routes was to be conveyed by air. The Government of India in association with the Government of Ceylon participated in the scheme which provided facilities for distribution, by air within India, of the mail brought by the Imperial Airways up to Karachi, and for bringing to Karachi Indian mail destined for the Empire countries. A contract was accordingly entered into in 1938 between the Government of India and Tata Sons Limited and the Indian National Airways Limited for the carriage of mails over their respective routes under the Empire Air Mail Scheme. This contract was to remain in force for a period of fifteen years. The scheme stepped up the frequency of the two air companies, Tata Sons Limited and the Indian National Airways Limited, and furnished an opportunity for the development of passenger and freight traffic. The number of miles flown by the Tata Sons Limited and the quantity of mail load carried increased several fold.

6. At about this time, a third company known as the Air Services of India made its appearance, but the venture was short-lived and after a brief flash of popularity made possible by its attractive, but uneconomic fares policy, the company closed down in 1939, leaving the Tata Sons Limited and the Indian National Airways Limited in complete possession of the business of internal air transport. These pioneers had by now become firmly established concerns, relying mostly on their own initiative and resources. World War II now broke out, and the normal services had to undergo drastic changes owing to the high priority of defence requirements. After a brief initial curtailment of their services, the two companies were entrusted, in collaboration with the Royal Air Force Transport Command, with the operation of services in different areas in increasing intensity according to the progressive requirements of the Government. They were called upon to carry freight, military personnel, mails and civil passengers of high priority. Their scope of activity was steadily extended and intensified; more modern aircraft, made available under the lease-lend scheme, began to be handled, technical personnel was trained and employed in an increasing number, so that when the war ended, an opportunity for operating air transport on a larger scale was available. The lease-lend aircraft were withdrawn and the companies equipped themselves with Dakotas purchased from the United States Foreign Liquidation Commission. With bigger aircraft and the addition of further routes, Tata Sons Limited increased the average monthly ton-mileage flown from 1,22,507 in 1945 to 3,09,604 in July 1946 and the monthly average of passengers carried from 1,075 in 1945 to 3,727 in July 1946. The Government

policy at that time was contained in an announcement made in May, 1945:

"The policy of the Government of India is to promote the development and operation of air transport services, internal and external, by a limited number of sound and reliable private commercial organizations, with their own capital and operated under normal commercial principles of risk of loss and prospects of gain. The operation of air transport services would be subject to licences granted by Government. Without such a licence no air transport service can operate. The grant of State assistance in specific cases will be entirely at the discretion of Government and on conditions to be laid down in each case. In specific cases, Government should take a financial interest in the Companies operating air services and appoint a Director on the Board. The Government should not, however, take a controlling share in such cases."

7. There had been no licensing of air transport services in the pre-war period. The selection of routes and the operation of services were left entirely to the discretion of the companies, and this depended upon the availability of ground facilities and the resources of the companies concerned. The deficiencies and limitations of this state of affairs, however, raised no serious problems as at that stage the field of air transport was limited and in the nature of a pioneering venture. But the services were operated with a medium of efficiency which inspired public confidence, so that the demand for air transport increased. Anticipating competition in the field, the government, in March 1944, assumed powers to license air transport undertakings and to prohibit the operation of air transport without a licence, by amending the Indian Aircraft Act. The Air Transport Licensing Board was set up, and in the first few months of 1946, two more air transport companies came into existence, viz., the Air Services of India and the Deccan Airways Limited. The Tata Sons Limited converted its aviation department into a public limited company which came into existence on July 29, 1946, under the name of Air-India Limited. This concern took over the aviation department of the Tata Sons Limited with all its aircraft, equipment, engineering facilities, air mail contracts and trained personnel, with all the experience acquired over a period of fourteen years of air transport.

8. By the end of July 1946, therefore, the following four air transport companies were operating:—

- (i) The Air-India Limited;
- (ii) The Indian National Airways Limited;
- (iii) The Air Services of India; and
- (iv) The Deccan Airways.

In 1947, another company, the Himalayan Aviation Limited, was formed to carry out non-scheduled operations and undertake air survey. This company offered to operate night services and the Air Transport Licensing Board gave it a provisional licence for three months beginning October 15, 1949, for operation by night over the Delhi-Nagpur-Madras and Bombay-Nagpur-Calcutta routes. The Kalinga Airlines, a private company established in 1946, was, in May 1949, given a licence for carrying freight. Some other companies also came into the field, and at the end of two years after the coming into existence of the Licensing Board, there were as many as eleven companies including the ones mentioned above. The most important of these, however, was Air-India Limited. It had taken over

from the Tata Airline a fleet of 15 twin-engined aeroplanes of which four were held on long lease from the American Government. A few aircraft were subsequently purchased, and by 1946, the Air-India Limited was in possession of 24 multi-engined planes. It employed (in 1946) a total staff of nearly 2,650 including 71 pilots of whom 69 were Indian or Ceylonese nationals.

9. With the partition of India in August 1947, the air route pattern inevitably underwent a considerable change. One of the companies went into liquidation, another transferred its headquarters to Pakistan, the Air-India Limited, however, continued to extend its activities. A scheme had been submitted by this company for the establishment of an air service between India and the United Kingdom. This scheme contemplated the formation of a new company, *viz.*, Air-India International with a capital of Rs. 2.00 crores in which the Government of India was to take 49 per cent. shares, Air-India Limited 10 per cent. shares, and the balance was to be subscribed by other air transport interests and the public. To start with, it was proposed to operate a bi-weekly service from Bombay to London with an intermediate halt at Cairo, with three Lockheed Constellation aircraft. Air-India Limited was to act as Technical Manager of the new company in its day-to-day administration, subject to the control of the new company's Board of Directors. The Government approved of the scheme, and in 1948, it (the Government of India) entered into agreements with Air-India Limited and Air-India International. Amongst the important provisions of these agreements were the following:

- (1) The Government of India would take up 49 per cent. of the capital of Air-India International and it would have the option to acquire a further 2 per cent. at any time if it so desired;
- (2) The Government would reimburse to Air-India International any loss incurred by it after making provision for depreciation for a period of 5 years, the loss in this context being the actual loss as disclosed by the officially audited accounts of the company;
- (3) When the company began to make a profit, not less than 50 per cent. of its annual profit would be returned to the Government in repayment of the subsidy, if any, which had been granted to it in earlier years. The balance could be retained by the company, and out of that balance a dividend of not more than 3½ per cent. might be declared until the whole of the subsidy received by the company from the Government had been paid off;
- (4) In respect of Constellation operations, Air-India would be paid a Management fee by Air India International for acting as the latter's Technical Manager on a sliding scale, decreasing from 5 annas per mile for the first one million miles to one anna per mile over 2½ million miles flown during the year; and
- (5) Air-India International would have exclusive rights of operation over all routes to the West of India within a specified zone, for a period of 10 years."

10. Air-India International was registered on March 8, 1948, and Air-India Limited took up its shares to the extent of 10 per cent. Air-India Limited was appointed General Technical Managers and Chief Booking

Agents of Air-India International for a period of ten years. All the administrative and technical services were rendered by Air-India Limited at the actual cost incurred. The Bombay-London service was inaugurated on June 8, 1948. The first eight months of the working of Air-India International resulted in an operational loss of Rs. 4.00 lakhs. The Central Government in accordance with the terms of its agreement made good this loss, and also made a provision for depreciation. In the year 1949, there was an increase in the frequencies of the services, and in 1950, there was a net operative profit of Rs. 6.72 lakhs. A further improvement was noticed during 1951 and the ton-miles capacity increased from 1,09,03,000 to 1,41,03,900. The number of passengers flown increased by 61 per cent. over the previous year's figure. The improvement was maintained in the year 1952 though at a lower rate. The increase in the number of passengers was 3.8 per cent. over the previous year's figure and the ton-miles operated were 1,43,58,000. In 1953, the air companies were nationalised and Air-India International Corporation took over the assets and liabilities of Air-India International Limited on August 1, 1953.

11. The Air Corporations Bill, 1953, which received the assent of the President on May 28, 1953, contemplated the setting up of two State Corporations— (1) Indian Airlines Corporation, and (2) Air-India Corporation. The first Corporation was intended to undertake the operation of domestic and short-range international services to adjacent countries, and the second was intended to take over the operation of all long-range international services. The two Corporations came into existence on June 15, 1953, and on August 1, 1953, as already stated. Air-India took over the assets and liabilities of Air-India International Limited. The other air transport companies were replaced by Indian Airlines Corporation. A slight complication necessitating adjustment arose because of the fact that Air-India Limited which was acting as the Technical Manager of Air-India International was taken over not by Air-India Corporation but by Indian Airlines Corporation. Therefore, the advantages which Air-India International Limited enjoyed on account of this contact with Air-India Limited in respect of technical management and booking agencies were, on nationalization, lost to Air-India International Corporation which had to employ its own staff and establish its own workshops, booking offices, sales organisation, equipment to handle its own operations etc. This was achieved by making payments to Indian Airlines Corporation and taking over the workshops and equipment which was the property of Air-India Limited. Indian Airlines Corporation had a surplus of staff and workshop equipment which they could not use profitably, and these assets were transferred in lieu of payment to Air-India International Corporation. Since nearly all the personnel on the roll of Air-India International Limited was in the employment of Air-India Limited, it was transferred to Indian Airlines Corporation. The result was that only 551 employees, most of whom were employed at foreign stations, came on to the pay roll of Air-India International Corporation. A gradual transfer of the staff from Indian Airlines Corporation to Air-India International Corporation was undertaken, and effected step by step till it was completed in December 1955. Thus, nearly 1,800 employees, almost all of whom prior to August 1, 1953, were in the employ of Air-India Limited were first taken over by Indian Airlines Corporation and then transferred to Air-India.

12. The following table gives a brief picture of the financial and operational progress made by the Corporation from the time it was incorporated in 1953 upto the end of the financial year 1964-65:

Operating and Traffic Statistics

Particulars	1964/65	1963/64	1962/63	1961/62	1960/61	1959/60	1958/59	1957/58	1956/57	1955/56	1954/55	Aug. 1953 March 1954 (8 months)
I	2	3	4	5	6	7	8	9	10	11	12	13
1. Revenue Hours.	24,884	22,354	19,558	25,228	27,063	28,842	27,924	26,306	23,808	19,695	14,413	8,547
2. Total Available Tonne Kilo-metres (million)	328.575	292.136	252.053	216.640	161.447	93.486	87.995	80.248	68.830	56.114	37.450	18.375
3. Revenue Tonne Kilo-metres Per-formed (million)												
(a) Passenger	100.016	86.239	71.054	58.647	51.126	35.545	34.806	33.652	30.794	22.185	15.769	8.07
(b) Mail	7.771	7.456	7.983	6.257	5.011	4.594	4.572	4.252	3.969	2.827	2.081	1.034
(c) Cargo including Ex-cess Bag-gage	44.156	37.923	30.379	25.404	18.773	13.644	10.257	8.935	8.803	6.115	3.957	2.504
(d) Charters	4.779	0.828	2.167	4.211	1.389	0.458	0.218	0.647	0.529	0.143	0.250	0.048
(e) Total Rtkm:	156.722	132.446	111.583	94.519	76.299	54.241	49.853	47.486	44.095	31.270	22.057	11.657

	1	2	3	4	5	6	7	8	9	10	11	12	13
4. Available Seat Kilometres (Scheduled Services) (million)	2276.221	2047.379	1770.328	1434.771	1133.057	697.786	671.590	615.401	510.647	432.296	290.895	155.913	
5. Revenue Passenger Kilometres Flown (million)	1139.847	946.104	821.750	692.195	582.593	399.658	390.790	385.500	349.218	247.918	180.050	91.009	
6. Revenue Passengers carried	237.996	190.969	165.736	156.535	123.270	89,385	83,868	88,312	79,825	56,445	40,287	20,050	
7. Operating Profit (Rs. in Lakhs)	3,62.03	3,84.25	3,45.44	76.99	1,17.41	18.26	15.85	71.67	89.34	6.56	34.05	18.48	
8. Operating Revenue per Atkm (Rs.)	0.91	0.92	0.97	1.00	1.19	1.35	1.31	1.35	1.40	1.21	1.29	1.30	
9. Operating Cost per Atkm (Rs.)	0.80	0.79	0.84	0.96	1.13	1.33	1.30	1.26	1.27	1.19	1.20	1.20	
10. Average number of staff em- ployed	6,543	6,090	5,873	5,703	5,259	4,596	4,442	4,070	3,661	3,121	2,102	..	

13. It will be seen that the operating profit in the year 1963-64 reached the satisfactory figure of Rs. 384.25 lakhs. The annual report for the year 1963-64 shows that the performance of Air-India has been in almost all respects better than the performance of other world international services. The increase in passenger traffic was 15.2 per cent over the previous year as compared to the figure of 14 per cent in respect of world international services. The number of passengers carried increased by 20 per cent as compared with an increase of 14 per cent for world international services. Similarly, cargo increased by 25 per cent as compared with 16 per cent for world international services. The annual report for the year 1964-65 shows that this satisfactory state of affairs has been maintained. There was an increase of 18.1 per cent in the passenger traffic, of 16.1 per cent in passenger kilometres, of 16.5 per cent in freight tonne-kilometres, of 4.2 per cent in mail tonne kilometres and of 15.4 per cent in the total revenue tonne-kilometres. There was an increase of 12.5 per cent in the total capacity offered during the year 1964-65 but the volume of traffic carried increased by 18.3 per cent. Financially too, the Corporation was able to maintain a satisfactory position. The operating revenue rose by 12 per cent increasing to Rs. 30.03 crores. And while the operating expenses increased by 15 per cent to Rs. 26.41 crores, there was available a balance of operating profit of Rs. 362.03 lakhs. This was a little less than in the year 1963-64 because the expenses on account of the amounts paid to personnel on account of wages etc. had registered an increase. There was also a larger provision for depreciation and obsolescence. The services of the Corporation are now being operated solely by means of eight Boeings 707. It is proposed to add five more Boeings by the purchase of one each year from 1966 onwards. The Corporation has, for three years running, been able to pay interest on Government loans at the rate of 4½ per cent and declare a dividend at the rate of 5 per cent on Equity Capital. In looking at this bright picture and the previous history of the Corporation, it must not be forgotten that a great deal of the initial setback has to be made up and the future kept in view. The Corporation is indebted to the extent of Rs. 13.4 crores which is the amount of loan capital received from the Government. Since the agreement of May 9, 1960, an additional annual burden of Rs. 64.35 lakhs has been assumed by the Corporation and this is made up of the following items:

- (i) Rs. 21.00 lakhs per annum consequent upon the increased pay and allowances and benefits conceded by the agreement of May 9, 1960, with Party No. 2 (*vide* paragraph 8 of the Corporation's written statement);
- (ii) Rs. 15.15 lakhs per annum representing the increase in the wages bill resulting from various agreements with Parties 4, 6 and 7 (*vide* paragraph 9 of the Corporation's written statement);
- (iii) Rs. 4.70 lakhs per annum on account of agreement reached with Party No. 5;
- (iv) Rs. 13.00 lakhs per annum on account of relief given subsequent to the present reference and before the interim relief was approved by this Tribunal; and
- (v) Rs. 10.50 lakhs consequent upon the award of interim relief mutually agreed upon by the Corporation and Party No. 2.

14. In addition to these amounts, further liabilities have been undertaken by the Corporation in respect of payments to its workmen under the

various agreements mentioned in Chapter I. The extent of these liabilities is:

- (i) Rs. 14.84 lakhs under the agreement dated July 26, 1965, entered into with the Indian Pilots' Guild (Party No. 4); and
- (ii) About Rs. 6.10 lakhs under the agreement dated October 15, 1965, entered into with the All-India Aircraft Engineers' Association (Party No. 5).

15. It is, however, the future which is really important and which must, by reason of the impact of fears and hopes inspired by it, give shape to the present and mould all immediate and proximate action. The Corporation has, over the years, acquired a measure of prestige and reputation which have won it pride of place in the ruthlessly competitive field of air transport. This has been made possible by a high standard of efficiency, a meticulous maintenance service and above all, by a sense of financial security engendered by Government backing at the initial stage. Financial solvency and the building up of adequate reserves for unpredictable eventualities and a programme of expansion, are even more important at a time when rivalry is becoming fiercer both by an increase in the number of competitors and by the advancement of science which continues to feed the demands of an exacting public for faster, safer and more luxurious air transport. The Corporation is at present operating with eight Boeing 707 aircraft. Already, BOAC with an earlier entry in the air transport business and with larger resources, has acquired what is considered to be a better plane in VC-10. Travel by supersonic aircraft seems to have become a desideratum which will perhaps be realised in the not very distant future. The Concorde Project in France and the construction of supersonic aircraft in the United States of America are beginning to take practical shape and it is hoped that in the early nineteen seventies these new aircraft will begin to operate. The Corporation cannot afford to lag behind other transport companies in acquiring the most up-to-date machines and providing the latest form of air transport to its customers. In the meantime, the purchase of additional jet equipment, expansion of workshop facilities, the construction of an additional hanger and administrative buildings in Bombay and residential staff quarters at Bombay, Delhi, Calcutta and Madras, are urgent needs. These are not the details of a fantasy but matters of actual reality facing the Corporation. Let me quote a passage from the draft outline of the Fourth Five-Year Plan prepared by the Corporation (Exhibit M-62):*

"The replacement of the fleet of Piston engine aircraft by jet equipment and the introduction of jet services on all of the Corporation's routes and the building up of jet frequencies on the Atlantic and other routes constituted the main development programme of Air-India in the 3rd Plan period. The Corporation entered the jet age with a fleet of 3 Boeing 707 jet aircraft during the last year of the 2nd Plan period with one more Boeing on order to be delivered early in the 3rd Plan period. The operating fleet of the Corporation at the beginning of the 3rd Plan period consisted of 3 Boeings and 9 Super Constellations and the programme in the 3rd Plan provided for the purchase of 4 additional Boeings. The 4th aircraft ordered in the 2nd Plan period was delivered in April 1961 and the 5th and 6th Boeings were delivered in March and April 1962. The fleet

*NOTE :—See Appendix VIII for the objection taken by Air-India to the Admissibility of the document and the order passed thereon.

of Super Constellations was sold to the Indian Air Force; 4 aircraft were delivered to them during 1961-62 and the remaining 5 were delivered during 1962-63. With the disposal of the entire fleet of Super Constellations, Air-India emerged as the first all jet operator in the World with a fleet of 6 Boeings. To meet the expanding requirements, a 7th aircraft was ordered in February, 1963 for delivery in May, 1964, and at present there is a proposal for acquiring an 8th aircraft during the current Plan period. Air-India will then be operating with a fleet of 8 jet aircraft during the closing year of the 3rd Plan period.

Air-India's present fleet is already fully stretched, its current rate of utilisation of approximately 3750 hours per aircraft per annum being amongst the highest in the World. Its ability, therefore, to secure its legitimate share of the growing market will itself depend on the continuous expansion of the Corporation's fleet in step with the growth of traffic on its existing routes and the extension of its operations to new routes. Taking both factors into account, it has been roughly estimated that during the 4th Plan period, the Corporation will require to add, on the average, about one additional aircraft every year. The development programme during the 4th Plan period consists therefore of the purchase of 5 additional aircraft over and above the 7th aircraft to be delivered in May, 1964, and an 8th aircraft to be ordered shortly for delivery in the summer of 1965.

Looking ahead to the end of the decade and beyond, the advent of supersonic aircraft looms as a highly significant factor to be taken into consideration in assessing the Corporation's future equipment requirements and prospects. The supersonics are generally expected to go into operation early in the 1970s. Consistent with the policy consistently followed with great success all these years to offer the best and most efficient equipment competitively, it is a practical certainty that the Corporation will have to place advance orders for some supersonic transports during the 3rd Plan for delivery in the 5th Plan period."

16. The estimated cost of five subsonic jet aircraft is Rs. 27.93 crores including the expenses to be incurred on workshop expansion, hangar, equipment etc. Adding the cost of administrative buildings and staff quarters, the total liability during the period of the Fourth Five-Year Plan is expected to be Rs. 32.43 crores. This, according to the Corporation, is an absolute *sine qua non* if Air-India is to survive and maintain its present position in the field of air transport. The capacity of the Corporation to pay additional wages and allowances is perforce conditioned and limited by these compulsive and inexorable prognostications.

17. The need for careful planning is further emphasized by a consideration of the financial position of the various air transport companies before the date of nationalisation. The Air Transport Inquiry Committee pointed out in 1950 that almost all companies were running at a loss. The Air-India showed a profit for 1947-48 but a small nominal profit only in 1949. The cost of operation was high and this was, to a large extent, due to high salaries and excessive staff. The Indian National Airways sustained a loss for the three years, 1947-48, 1948-49 and 1949-50. The main cause was high cost of operation and a very high proportion of captains to co-pilots. Indeed the pilots were almost all captains drawing high

salaries. There were some other contributory causes also. The Air Services of India sustained a loss in the years 1946-47 and 1948-49. In 1947-48 there was a profit resulting from the engagement of several Government charters to transport evacuees upon the partition of the country. The Deccan Airways sustained a loss in 1947 and 1949 and made only a small profit in 1948, so that during the three-year period 1947—49, there was an overall loss of Rs. 35·00 lakhs. An exception was the performance of Airways (India) which showed a profit. Also there was close control exercised over the strength of the staff which was kept at a low level. But, the maintenance standards of appearance, passenger comfort and convenience were lower than desirable and below what can be tolerated in a competitive field. The Bharat Airways sustained a loss during all the three years, 1947, 1948 and 1949, and its financial position was far from satisfactory. The Indian Overseas Airlines sustained a loss during all the three years as its operating costs were too high. The Himalayan Aviation Limited sustained a loss of Rs. 3·83 lakhs in the three years, 1947, 1948 and 1949. The total loss sustained by all the air transport companies during this period of three years was Rs. 110·00 lakhs. The Inquiry Committee found that on the one hand the salaries paid to the staff were high and on the other the fares because of intense competition had been reduced to uneconomic levels. There was only a limited supply of technical personnel available and this resulted in a rise of wages and salaries to levels which made the operation uneconomic.

18. The experience of the past must make us wiser when considering the demands of the workmen and whereas all just and equitable demands should be conceded, a measure of caution is advisable when loosening the purse strings, for it is necessary to ensure that the financial capacity of the Corporation is not taxed beyond endurance in order to satisfy those demands of workmen which are not fully justified by their conditions of service, by their economic requirements, the air transport market and the wages paid to workers with similar qualifications or doing comparable work in other industries and business houses in the country. This is an extremely difficult balancing act and to tread along the tight rope which stretches between industrial discontent and industrial peace is not the sort of performance which wins universal applause.

CHAPTER IV

History of Industrial relations in the Corporation

A brief history of the genesis of the present dispute and its subsequent growth and development may now be stated.

2. Differences between the Management of Air-India Ltd., which, as must be clear from the narrative set out in the previous chapter, was for all practical purposes the predecessor of the Air-India Corporation, and its workmen had arisen even before the nationalisation of the air transport industry in August, 1953. These differences constituted an industrial dispute within the mischief of the Industrial Disputes Act, 1947, and were referred by the Government of Bombay to an Industrial Tribunal under Section 10 of the Act. The parties to the dispute, however, arrived at a settlement, and the Tribunal made an award in terms of this settlement on April 26, 1949 (Award No. 15 of 1949 published in the Bombay Government Gazette on May 12, 1949). This award remained operative with regard to pay scales and conditions of service of the employees of Air-India Ltd., till the date of nationalisation.

3. Another dispute between Air-India Ltd., and some categories of their employees regarding certain matters, was similarly referred by the Government of Bombay to an Industrial Tribunal in 1951. This dispute too, was settled by mutual agreement, and an award, in terms of the settlement arrived at, was made on May 2, 1952.

4. Upon the nationalisation of the air transport industry and the formation of the Indian Airlines Corporation for operating the domestic and short-range international routes to adjacent countries and of the Air-India International Corporation for operating all long-range international services, the latter Corporation took over the assets and business of Air-India International Ltd., and the former, i.e. Indian Airlines Corporation, took over all the other transport companies. Until this moment the workshop maintenance equipment and ground facilities used for the business of Air-India International Ltd., were owned by Air-India Ltd., who also acted as technical managers of Air-India International Ltd., and who provided all the flying and ground personnel in India, and were, in addition, their chief booking and handling agents in India. These assets automatically vested in the Indian Airlines Corporation, the successors of Air-India Ltd. This gave rise to certain difficulties and complications, for the Air-India International Corporation had no workshop or ground facilities of its own, whereas, the Indian Airlines Corporation found that it had a surplus of staff and of workshop equipment inherited from a number of companies. So, an agreement was arrived at between the two Corporations by which the Air-India International Corporation acquired workshops and equipment and also such of the surplus staff as the Indian Airlines Corporation could spare. Only 551 persons came directly on to the pay roll of the Air-India International Corporation and they were for the most part employed at foreign stations. The programme of transfer of the surplus staff from the Indian Airlines Corporation to the Air-India International Corporation was implemented gradually and completed only in December, 1955. In this manner, 1797 employees, taken over by the Indian Airlines Corporation, were transferred to the Air-India International Corporation.

5. This adjustment had been anticipated by the framers of the Air Corporations Act, and Section 20 of the Act was intended to deal with such difficulties and anomalies as might result from the transfer or exchange of personnel between the two Corporations. Section 20 reads as follows:

- “(1) Every officer or other employee of an existing air company (except a director, managing agent, manager or any other person entitled to manage the whole or a substantial part of the business and affairs of the company under a special agreement) employed by that company prior to the first day of July, 1952, and still in its employment immediately before the appointed date shall, in so far as such officer or other employee is employed in connection with the undertaking which has vested in either of the Corporations by virtue of this Act, become as from the appointed date an officer or other employee, as the case may be, of the Corporation in which the undertaking has vested and shall hold his office or service therein by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension and gratuity and other matters as he would have held the same under the existing air company if its undertaking had

not vested in the Corporation and shall continue to do so unless and until his employment in the Corporation is terminated or until his remuneration, terms or conditions are duly altered by the Corporation:

Provided that nothing contained in this section shall apply to any officer or other employee who has, by notice in writing given to the Corporation concerned prior to such date as may be fixed by the Central Government by notification in the Official Gazette, intimated his intention of not becoming an officer or other employee of the Corporation.

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- (2) Notwithstanding anything contained in sub-section (1), the Central Government may direct either of the Corporations in which the undertaking of any existing air company has vested to take into its employment any officer or other employee who was employed by the existing air company prior to the first day of July, 1952, and who has been discharged from service in that company on or after the said date for reasons which, in the opinion of the Central Government, appear to be inadequate for the purpose and where the Central Government issues any such direction, the provisions of sub-section (1) shall apply to such officer or other employee as they apply to any officer or other employee referred to therein.
 - (3) As from the appointed date the trustees of the provident funds and pension funds or pension schemes of each of the existing air companies shall transfer to the Corporation concerned the balances lying to the credit of each of the employees whose services have been transferred to that Corporation by virtue of this Act and also all other balances of the funds or schemes as shall remain after satisfying all demands and liabilities, and thereupon the trustees shall be discharged of the trusts by virtue of this Act.
 - (4) Notwithstanding anything contained in this Act or in the Indian Companies Act, 1913 (VII of 1913) or in any other law for the time being in force or in any agreement entered into by an existing air company or in the articles of association of any such company, no director, managing agent, manager or any other person entitled to manage the whole or a substantial part of the business and affairs of the company shall be entitled to any compensation against any existing air company or against either of the Corporations for the loss of office or for the premature termination of any contract of management entered into by him with any existing air company and where any existing air company has, after the first day of July, 1952, and before the commencement of this Act, paid to any such person as is referred to in this sub-section any sum by way of compensation to which the person receiving such compensation would not have been entitled if this sub-section were in force at the time of such payment, the existing air company shall be entitled to claim refund of any sum so paid."

6. The provisions of this Section applied to those persons only who became officers or employees of one of the two Corporations on the appointed day. Those who became employees of the Indian Airlines Corporation were entitled to the same terms and conditions and the same

rights and privileges with regard to pension, gratuity and other matters which they had enjoyed when in the employ of Air-India Ltd., or any of the other companies. Similarly, those individuals who became the employees of Air-India International Corporation on the appointed day, became entitled to the terms, conditions, rights and privileges regarding pension, gratuity and other matters enjoyed by them in the previous employment.

7. Despite the guarantee given by Section 20, the prospect of nationalisation gave rise to certain misgivings in the minds of the employees of the Air-India Ltd., and on June 13, 1953, the Air-India Employees' Union wrote a letter to the Labour Department of the Government of Bombay urging that the scales of pay and other conditions of service obtaining in the Air-India Ltd., should be made applicable to all workmen employed by Air-India International Ltd. I have mentioned the circumstance particularly because the Central Government's present order of reference includes a determination of the relationship which should subsist between the wage-structure of Air-India and "the wage-structure of the Indian Airlines Corporation with reference to comparable categories of workmen performing similar functions" and also because during the course of the arguments before me, references were frequently made to the pay, allowances and other amenities available to the workmen of the Indian Airlines Corporation. This rivalry and the desire to obtain equal treatment stem from the above described manner in which the personnel of the private companies was transferred to the two Corporations.

8. Almost immediately after the nationalisation of the air transport industry, the Air-India Employees' Union submitted in September 1953, a list of 26 demands to the Corporation including a demand for the continuation of the pay scales and other conditions of service which they had enjoyed while in the employment of Air-India Ltd. A few months later, in April 1954, the same union again wrote to the Corporation submitting a list of 26 demands for settlement. Six months later (in October 1954), the Air Corporation Employees' Union presented a charter in which a demand for the revision of salary grades was included. There was no demand for the application of the previous scales of pay obtaining in Air-India Ltd. for the obvious reason that a complete revision of salary grades was now being demanded. While this charter of demands was under the consideration of the Corporation, the Air Corporation Employees' Union approached the Conciliation Officer in November 1954, for starting conciliation proceedings, and while the matter was before the Conciliation Officer, a supplementary list of 49 demands was submitted in September 1956. This was followed by a notice of strike by the Air Corporation Employees' Union in January 1957. The Conciliation Officer, however, continued his endeavours to reach a settlement until January 1958, when the proceedings had to be terminated because the Union refused to sign a package deal and the Corporation was unwilling to sign a partial settlement. After this failure, the Union directly approached the Corporation for starting negotiations regarding the demands which had been considered by the Conciliation Officer. The dispute was withdrawn from the Conciliation Officer on April 1, 1958. The Corporation agreed to hold negotiations and constituted a Negotiation Committee for the purpose. Negotiations between the Corporation and the Air Corporation Employees' Union continued until July 1958, when there was a breakdown because the Union was again not willing to sign an agreement disposing of all the demands and although many of the differences were resolved, the Corporation could not come to a satisfactory agreement upon all matters. In

August 1958, the same Union, i.e., the Air Corporation Employees' Union, presented a revised charter containing 57 demands and this dispute was again taken up by the Conciliation Officer. The Conciliation Officer achieved some success this time and many of the demands were disposed of upon an agreement reached by the parties on April 1, 1959. On the same date, another agreement was drawn up by which the dispute regarding the remaining items was referred to a Committee of Arbitration consisting of two representatives of the Corporation, two representatives of the Union and an independent Chairman of the status of a Judge of a High Court to be nominated by the Government. Shri D. V. Vyas, a retired Judge of the High Court of Bombay was appointed Chairman of this Committee of Arbitration. I need not go into the details of this somewhat unhappy and unfortunate episode. The facts are contained in the judgement of the Bombay High Court reported in 1962-LLJ.I-31 which may be referred to. Here it is sufficient to say that in the course of Shri Vyas's enquiry, the Corporation and the Union arrived at a settlement through their representatives who were members of the Arbitration Committee. The settlement thus reached was signed by the four representatives and was laid before Shri Vyas for his signature and approval. Shri Vyas, however, declined to sign it or act upon it for he took the view that the representatives of the Corporation on the Committee for Arbitration had no authority to sign a settlement of this nature and also that they had acted under pressure. He, therefore, gave an independent award of his own. This was set aside by the High Court of Bombay on appeal and the settlement arrived at between the parties on May 9, 1960, was made the basis of an award binding on the parties for a period of three years, i.e., upto May 9, 1963.

9. This award, following upon an agreement with the Air Corporation Employees' Union, prompted demands from the other unions and similar agreements were entered into with Party No. 4 in April 1960, Party No. 5 in September 1960, Party No. 6 in March 1961 and Party No. 7 in July 1960 and October 1962. Each of these agreements was to remain in force for a period of three years.

10. Almost as soon as the agreements expired, and in some cases even before the term of the agreement had run out, memoranda and charters of demands of various kinds were drawn up and submitted to the Corporation. The agreement with the Air Corporation Employees' Union, for instance, was to expire on May 9, 1963. This agreement governed the conditions of service of the employees belonging to Air-India Employees' Union also, for as I have already stated, the Air-India Employees' Union was formed by a group of employees who were originally members of the Air Corporation Employees' Union, and in September 1962, separated and formed themselves into Air-India Employees' Union. On November 21, 1963 the Air-India Employees' Union sent a notice to the Corporation terminating the agreement of May 9, 1960, and in the January following, submitted a charter of 31 demands which included a demand for higher salaries, a 50 per cent. increase in dearness allowance and a number of other allowances and benefits almost all of which are included under the various items enumerated in the Schedule to the present order of reference. A similar memorandum comprising 27 demands had already been presented by the Air Corporation Employees' Union on December 30, 1963, followed by a list of issues relating to Cabin Attendants (who are also members of the Air Corporation Employees' Union) on July 8, 1964. Similar charters or memoranda were sent by the remaining four parties during the months which followed. Relations between the Corporation

and its employees were rapidly deteriorating and the Government decided to intervene. The Minister of Transport made a statement in the Lok Sabha on March 23, 1964, announcing the intention of the Government to set up a committee to undertake a detailed and comprehensive enquiry into the grievances of the workmen and other allied matters. On June 1, 1964, the Air Corporation Employees' Union, issued an Information Bulletin containing its objections to the steps taken by the Corporation for the grant of interim relief to its workmen and the same union gave a directive on June 20, 1964, to its members to follow a 'work-to-rule' policy with effect from June 21, 1964. This was followed, a few days later, by another Information Bulletin calling upon the members of the Union not to do overtime work from June 26, 1964, and no work on Sundays with immediate effect. These latter directives were, in fact, in operation for the period June 26 to July 26.

11. On July 2, 1964, the Government of India issued a press note announcing that a retired Judge of a High Court had been appointed Chairman of the Committee of Inquiry envisaged in the statement of the Minister of Transport in the Lok Sabha on April 23, 1964. The Air Corporation Employees' Union, however, gave a strike notice to the Corporation under sub-section (1) of Section 22 of the Act. Another strike notice was given by the Air-India Employees' Union on July 10, 1964. The Central Government then appointed the present Tribunal and made the reference set out in Chapter I above.

12. This is a factual narrative of the attrition which has characterised the relations between the Management of Air-India and its employees. I have deliberately abstained from apportioning blame or assessing the wisdom of the directives regarding 'work-to-rule' etc. issued by the workmen's unions, because it has seemed to me that a discussion of the tactics employed by either party will cast a cloud over the merits of the issues involved, and may even make the mind prone to pre-judge the case of either party. It is inevitable that in all employer-workmen disputes, the employer should assume an attitude of righteousness and injured innocence and the workmen should make a display of having been exploited and victimised. It will serve no useful purpose if I were to say that the workmen have tried to bully or blackmail the management or that the management has been callously unsympathetic towards its workers. I have, therefore, endeavoured to steer clear of these distracting preliminaries and attitudes and judge the merits of the dispute without reference to the antics performed by the disputants on either side. But, when dealing with the question of costs, I shall have occasion to make a brief reference to this aspect of the matter.

13. Before concluding this chapter, I may say that many of the items in the Schedule arise out of common demands made by the various parties. All parties, for instance, have asked for a complete revision of the pay scales, a rise in dearness allowance and such other benefits and allowances as relate to the nature of their employment. The 57 items cover almost all conditions of service which affect the employees of the Corporation, and an award made upon them, therefore, must be based upon an exhaustive study of the present conditions and of the grounds upon which these demands are made. It will, therefore, be necessary to examine some of the broader economic issues which have a bearing upon the determination of salaries and allowances, and it will also be necessary to consider the capacity of the Corporation to meet these demands, having regard to its future programme and its financial commitments and liabilities.

CHAPTER V

Principles of wage-structure

In this chapter I propose to examine some general principles and considerations which must be borne in mind while determining the wage-structure of the various categories of workmen employed by the Corporation. I shall first attempt to extract a consistent policy of universal application from the opinions expressed by numerous wage boards, committees and sociological and economic experts who have dealt with the question of wage-structure in its different aspects; I shall next discuss a number of authoritative pronouncements of industrial tribunals and of the Supreme Court and finally I shall endeavour to deduce such guiding rules and considerations which have a particular bearing on the wage-structure of the workmen of the Air-India Corporation. Let me confess at once that in the very nature of things it is impossible to find a mathematically accurate yardstick for calculating the salaries of any class or grade of employees, and any determination of this question must of necessity, be to a large extent empirical and approximate and the result of a compromise between the seemingly irreconcilable elements of the demands of professedly ill-paid workers, admittedly high prices, the desire to raise the people's standard of living, the capacity of the industry to pay, the competitive world market and the urgent need of capital formation in a country struggling to advance towards the goal of self-sufficiency and economic and political progress. It is necessary not to lose sight of the complete overall picture of the state of the country as one integral and unified entity, lest, if I may stretch a well worn metaphor, in bestowing undue attention and care upon individual trees, we fail to assess and thereby neglect and do injury to the total aggregate of trees constituting the wood.

2. It will not be controverted that whereas there are sociological, humanitarian and ethical reasons for ensuring that the wages in any industry, whatever its nature and location, should not fall below a certain minimum figure, there are no such compelling arguments for or against the raising of salaries of the highest paid individuals, for opulence is in itself a desirable state and any anti-social tendency or the use of talents to amass wealth for utterly selfish or misanthropic purposes can be adequately checked by taxation laws. Therefore, considerations which will be applied to the lower paid workmen are entirely different from those which come into play when we examine the adequacy of the remuneration paid to the upper strata of wage-earners. I accordingly propose to divide wage-earners into three classes:

- (i) workmen at the lower levels whose total emoluments are below Rs. 650 per month;
- (ii) workmen at the middle level who are paid salaries ranging between Rs. 650 and Rs. 1,500 per month; and
- (iii) workmen at the upper level whose total income exceeds the figure of Rs. 1,500 per month

Wage-structure at lower levels

3. Every workman whatever his grade or occupation, is entitled to an adequate wage. In the case of workmen of the lowest grade, however, the expression "adequate wage" assumes a peculiarly compelling meaning, because there is an absolute minimum below which, whatever the financial state of the employer, it would be wrong to depress the quantum of

remuneration, for the minimum represents the dividing line below which lie poverty and squalor and above which only is it possible to maintain the efficiency of a worker. Starvation wages not only make for discontent, unrest and humiliation, but also create conditions in which the competence and productivity of the worker suffer and this in turn reacts adversely on the economy of the industry and of the country as a whole. This danger has been present to the mind of the economists, enquiry committees and tribunals who have given thought to the matter and endeavour to discover and declare principles of wage fixation at the lower levels. There are three recent landmarks to which attention must be drawn:

- (i) In June 1949, a Committee appointed to examine fair wages, prepared its report and this report is known as the *Report of the Fair Wages Committee*.
- (ii) In September 1953, the International Labour Office prepared a report for the Asian Regional Conference of the International Labour Organisation held in Tokyo. This is known as *Problems of Wage Policy in Asian Countries*.
- (iii) In 1957 was held the 15th Indian Labour Conference and certain resolutions were passed by this conference.

3.1. The report of the Committee on Fair Wages has now become the standard declaration of what should be the minimum wage of a workman in India. Some years earlier, the question of wages was considered by Mr. Justice Higgins of the Australian Commonwealth Court of Conciliation in what is known as the Harvester case. He defined the living wage as one appropriate for "the normal needs of the average employee, regarded as a human being living in a civilized community." He further expressed the view that the living wage, apart from ensuring absolute essentials such as food, shelter and clothing, must provide for "a condition of frugal comfort estimated by current human standards." The Queensland Industrial Conciliation and Arbitration Act lays down that the basic wage paid to an adult male employee shall not be less than is "sufficient to maintain a well-conducted employee of average health, strength and competence and his wife a family of three children in a fair and average standard of comfort, having regard to the conditions of living prevailing among employees in the calling in respect of which such basic wage is fixed, and provided that in fixing such basic wage the earnings of the children or wife of such employee shall not be taken into account."

3.2. Four types of wages have been defined for the sake of clarity :

- (i) The poverty level which provides nothing more than bare sustenance for the worker and his family. This quantum of remuneration is obviously to be frowned upon and derided. Workmen can often be engaged at such a low wage because of the large mass of unemployed in the country, but it cannot maintain the workmen in any degree of competence or self-respect and no self-respecting nation will countenance such heartless and cruel exploitation of its citizens. The Government will be obliged to legislate and prohibit the employment of labour at a wage below a certain level. If an industry is unable to pay a wage higher than this, it has no right to exist.
- (ii) The minimum wage or the need-based wage. This is the absolute minimum which a civilized country should permit its

workmen to be paid. The need-based wage is calculated on the basis of the food, clothing and housing requirements of the lowest paid worker consistent with his efficiency and self-respect.

(iii) The minimum plus or fair wage. This provides the workmen with a slightly greater measure of comfort. It aims to approach the living wage consistently with the economy of the country and the financial capacity of the industry.

(iv) The living wage which has already been defined above.

3.3. It is generally recognised that the present low level of our national income does not permit of the payment of a 'living wage' on standards prevalent in more advanced countries. So we are obliged to scale down the wages of our workmen and endeavour to provide them with a fair wage instead of a living wage. A fair wage should on no account be less than the minimum wage and should strive to advance towards the living wage. The Committee on Fair Wages discussed this aspect of the matter and formulated a number of principles which must be borne in mind while determining the wage-structure at the lowest level.

3.4. The main conclusions of the Committee were :

- (1) The 'living wage' represents a standard of living which provides not merely for a bare physical subsistence but for the maintenance of health and decency, a measure of frugal comfort and some insurance against the more important misfortunes (paragraph 7).
- (2) The 'minimum wage' must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker by providing for some measure of education, medical requirements and amenities (paragraph 10).
- (3) While the lower limit of the 'fair wage' must obviously be the minimum wage, the upper limit is set by the capacity of industry to pay. Between these two limits the actual wages will depend on :
 - (i) the productivity of labour;
 - (ii) the prevailing rates of wages;
 - (iii) the level of the national income and its distribution; and
 - (iv) the place of the industry in the economy of the country (paragraph 15).
- (4) It is not possible to assign any definite weight to any of the factors that should be taken into account in calculating fair wages (paragraph 26).
- (5) Where a benefit granted by an employer goes directly to reduce the expenses of a worker on items of expenditure which are to be taken into account for the calculation of the fair wage, it must be taken into account for calculating the fair wage payable (paragraph 28).
- (6) The standard family should be taken as one requiring three consumption units and providing one wage-earner (paragraph 31).
- (7) Fair wages should be determined on an industry-cum-region basis (paragraph 34).

- (8) For the lowest categories of wage earners the target should obviously be compensation to the extent of 100 per cent. of the increase in the cost of living. For categories above the lowest, a lower rate of compensation is justifiable but the amount of compensation should be on salary scales or slabs (paragraph 45).
- (9) There should be progressive improvement in the fair wage, but such improvement will depend on improvement in the economic conditions of the country and of the industry concerned (paragraph 46).

3.5. In the course of its report, the Committee observed :

"The comparatively low level of our national income should not be used as an argument against the prescription by law of minimum standards below which, on social grounds, no one shall be allowed to fall. But, in adopting measures for the betterment of industrial workers, the interest of the community as a whole should not be overlooked, because, in the words of the Royal Commission on Labour, it is obviously possible to raise the standards of living of sections of industrial workers by methods which would involve the diminution of the national income that is available for other sections of the community."

3.6. In paragraph 11 of the report, the Committee observed :

"The attainment of the living wage is, as we have seen, the direct objective of every civilized State and has been repeatedly emphasised in various international and national declarations. The preamble to the Constitution of the International Labour Organization lays stress on the need to provide an 'adequate living wage' to labour as one of the means of improving those conditions of labour which have imperilled the peace and harmony of the world. Our own constitution enjoins on the State the responsibility for securing 'by suitable legislation or economic organisation or in any other way to all workers, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities.' The attainment of the living wage is, therefore, our objective too. But nevertheless it is the duty of this Committee to examine how far the present-day circumstances permit us to approach the living wage and how a wage that might be considered fair could be fixed having regard to the many limitations that prevent the immediate attainment of the objective."

3.7. In April 1950, the Prime Minister made a statement in Parliament announcing that the Government was committed to the principle of fair wages as recommended by the Fair Wages Committee; and a few months later a Bill embodying these recommendations—the Fair Wages Bill (1950)—was introduced. It, however, lapsed on account of the dissolution of the Provisional Parliament, and was not re-introduced, but the fact remains that the Government stands committed to the conception and principles of fair wages as recommended by the Fair Wages Committee. In the Government Resolutions, issued in 1957, setting up tripartite wage boards for the textile, sugar and cement industries, the

commitment was, in fact, re-affirmed, and the terms of reference of the boards required them to work out a wage-structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages.

3.8. In September 1953, the Asian Regional Conference of International Labour Organisation was held in Tokyo and in the resolution which was passed, the Conference considered that :

- “(a) it should be the common objective of governments, employers and workers to establish wages at the highest possible level which the economic condition of each country permits, and in future such wages should aim to provide the worker with a fair share of the increased prosperity of the country as a whole resulting from economic development.”

3.9. In the Report which was laid before this Conference, some of the main objectives of wage policy in Asia were stated to be :

- “(a) to abolish malpractices and abuses in wage payment;
- (b) to set minimum wages for workers whose bargaining position is weak because they are either unorganised or inefficiently organised, accompanied by separate measures to promote the growth of trade unions and collective bargaining;
- (c) to obtain for workers a just share in the fruits of economic development, supplemented by appropriate measures to keep workers' expenditure on consumption goods in step with available supplies, so as to minimise inflationary pressures; and
- (d) to bring about a more efficient allocation and utilisation of manpower through the operation of wage incentives—particularly through wage differentials and, where appropriate, systems of payment by results.”

3.10. A few extracts from the abovementioned report will illustrate the thinking behind it:

“The Minimum Wages Act, 1948, was passed. In 1950, the Fair Wages Bill was introduced but consideration of it was postponed. It provides that wage boards would have to fix minimum rates of wages payable to employees in any class of establishment; these rates would have to be sufficiently high to enable the worker to provide a standard family with food, shelter, clothing, medical care, and education of children, appropriate to his station in life, but the rates should not exceed the wage-paying capacity of the class of establishment concerned. Again, they should not be less than the minimum wage if such a wage had been fixed for the workers concerned. Fair rates of wages would also have to be related to fair workloads; if a worker did not turn out a fair quantity of work his wages could be proportionately reduced.”⁽¹⁾.

"Generally speaking, the problem of selecting the appropriate level for the minimum wage consists in striking a balance between the workers' recognised needs for maintaining a certain minimum living standard and the economic and social feasibility of ensuring them such a standard of living." (2).

"There would be little sense in simply drawing up a household budget satisfying a number of nutritional, medical, hygienic and cultural standards, and decreeing that the minimum wage should correspond to the total cost of that budget, without considering whether the economy would be in a position to supply the goods and services postulated." (3).

"The determination of the workers' normal needs, which minimum wage regulations aim to satisfy, consists essentially in drawing up a household budget, taking account of certain nutritional, medical and other relevant standards, and computing its cost." (4).

"The capacity to pay is not an absolute concept. Another consideration affecting general decisions regarding the level of the minimum wage will be the need for savings and investment within the framework of a general programme for economic development." (5).

In the course of the First Five-Year Plan, the Planning Commission observed that:

"the rate of progress has to be determined not only by the needs of the workers but also by the limitation of the country's resources... Too rapid changes or changes on a wide scale may result in financial, administrative and other difficulties which endanger new reforms and retard further development." (6).

It is said that a rise in wages results in increased productivity but "less convincing results have been reported in some cases and one author* goes so far as to say that in India a rise in productivity caused by a rise in wages 'is the very rare exception rather than the rule'." (*E. Da Costa—Indian Industry Today and Tomorrow—Calcutta, 1947—p. 53). (7).

3.11. With regard to the 15th Session of the Tripartite Indian Labour Conference held in July, 1957, the Government made it clear that the recommendations of the Conference should not be regarded as decisions of the Government. They were not formally ratified by the Central Government. But, there is no doubt that these recommendations are entitled to considerable weight. Briefly speaking, they are :

"(1) While accepting that minimum wage was 'need-based' and should ensure the minimum human needs of the industrial

(2) *Ibid*, p. 84

(3) Problems of Wage Policy in Asian Countries, International Labour Office, 1956, p. 84.

(4) *ibid*, p. 25.

(5) *ibid*, p. 87.

(6) *ibid*, p. 88.

(7) *ibid*, p. 91.

worker the following norms were accepted as a guide for all wage fixing authorities including minimum wage committees, wage boards, adjudicators, etc.:

- (i) In calculating the minimum wage the standard working class family should be taken to comprise three consumption units for one earner, the earnings of women, children and adolescents being disregarded.
 - (ii) Minimum food requirements should be calculated on the basis of a net intake of calories as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.
 - (iii) Clothing requirements should be estimated on the basis of a *per capita* consumption of 18 yds. per annum, which would give for the average worker's family of four a total of 72 yds.
 - (iv) In respect of housing, the rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme should be taken into consideration in fixing the minimum wage.
 - (v) Fuel, lighting and other miscellaneous items of expenditure should constitute 20 per cent. of the total minimum wage.
- (2) Wherever the minimum wage fixed was below the norms recommended above, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to the aforesaid norms.
- (3) As regards fair wages, the Wage Board should go into the details in respect of each industry on the basis of the recommendations contained in the Report of the Committee on Fair Wages. These recommendations should be made applicable to employees in the public sector also."

3.12. Dr. Aykroyd, Director of the Nutrition Research Laboratories, Coonoor, published his conclusions in Health Bulletin No. 23 which has come to be known as Dr. Aykroyd's Health Bulletin. The diet set out by him is known as improved diet. Dr. Patwardhan and Shri Ranganathan made certain changes in the improved diet having regard to the fact that Indian workmen are, for the most part, vegetarians. Dr. Aykroyd's improved diet provides 2600 calories per day and an adequate measure of proteins, fat, carbohydrates and other ingredients which sustain human life. According to him, this diet can maintain an average unskilled labourer at the level of physical fitness which will enable him to discharge his duties with competence. Dr. Aykroyd's diet has been generally accepted as a sound basis for calculating the cost of foodstuffs and for determining the cost of living index for the average worker's family for the purpose of fixing a minimum wage. In 1937, the Bombay Textile Labour Enquiry Committee calculated that the cost of a well-balanced vegetarian diet for 3 units was Rs. 22-8-0 per mensem in Bombay. Allowing for house-rent and certain other items, the Committee came to the conclusion that a wage of Rs. 55/- per mensem was an adequate wage for Bombay.

3.13. In 1940, the Rao Court of Enquiry dealing with the G.I.P. Railway low-paid staff found that Rs. 35/- per mensem was the subsistence level in Bombay for 3 units.

3.14. In 1946, Mr. Justice Rajadhyaksha dealing with the employees of the Postal Department held that in Bombay Rs. 65/- to Rs. 70/- was the minimum requirement of an average working class family.

3.15. In 1947, the Industrial Court of Bombay dealing with the workers of the cotton textile industry in Bombay found that on the basis of 1939 prices, Rs. 30/- was the minimum wage.

3.16. In 1946-48, the U.P. Labour Enquiry Committee was of the opinion that Rs. 30/- p.m., on the basis of the pre-war level of prices, was an adequate wage. The Committee examined the standards of living under the heads:

- (i) Poverty level,
- (ii) the minimum subsistence level,
- (iii) the subsistence plus level, which was described as the level at which the income was sufficient not only for physiological existence, but also for some elementary social necessities, medical attention, carfare (tram), insurance, a modicum of recreation, clothing compatible with self-respect as well as sufficient to provide bodily protection, an elementary education for the children and some self-improvement requiring expenditure, and
- (iv) the comfort level which was defined as the level at which a family is able to live in a decent house or apartment, moderately equipped and decorated having reasonably adequate funds available for such items as insurance, education, vacation, health maintenance and amusements.

3.17. The Committee took the subsistence plus level as the criterion for the socially desirable minimum basic standard of living. The Committee called this standard the minimum living wage. It recommended Rs. 30 p.m. on the basis of pre-war level of prices as the absolute minimum wage for an unskilled worker.

3.18. In 1952, the Labour Appellate Tribunal in the Buckingham and Carnatic Mills (1952 Labour Appeal Cases, page 490) fixed Rs. 27-11-9 as the minimum wage and also allowed 3 annas per point on account of the rise in cost of living index. The Tribunal observed that the inflationary tendency occasioned by an increase in wages must be checked as far as possible.

3.19. In May 1956, the All India Industrial Tribunal dealing with the colliery workers recommended Rs. 69/1/- as the minimum wage based on prices prevailing from July 1955 onward. The Labour Appellate Tribunal accepted this figure of Rs. 69/1/- but observed:

"We do not for a moment suggest that Rs. 69/1/- adequately caters to the reasonable requirements of a family of 3 consumption units, and if circumstances had been propitious the workmen would have been entitled to more. But this question of wages has to be considered in the larger context of present day wage levels and the economic structure and, therefore, we take the view that it would be unwise to increase the minimum wage of Rs. 69/1/-."

3.20. In January 1956, the Rajasthan Cotton Textile Labour Enquiry Committee recommended Rs. 65/- p.m. as the minimum wage in Jaipur on the definition of the minimum wage given by the Fair Wages Committee.

3.21. In October 1956, the Ajmer Cotton Textile Labour Enquiry Committee fixed the figure of Rs. 68/- on the same basis.

3.22. In 1959, the Central Wage Board for Cement Industry found that Rs. 61/- represented the cost of food for a 3 unit family. It recommended a minimum wage of Rs. 94/- except in the case of Bombay where the figure recommended was Rs. 101/-.

3.23. The Labour Enquiry Committee pointed out that labour in India, generally speaking, is conscious of its rights but not equally of its responsibilities. There is an unwillingness on the part of labour to do different kinds of jobs and an insufficient realisation of a responsibility of putting in a fair day's effort in return for a fair wage and absence of a spirit of love to work.

3.24. Exhibit M-40 is a comparative statement showing scales of pay and emoluments fixed by the various Wage Boards and Tribunals and one or two instances from this statement will suffice to show that the wages which are being paid by the Air-India Corporation are well above the minimum wages in many other industries.

3.25. The Central Wage Board for Sugar Industry fixed for unskilled workers, Rs. 92.50 as the minimum wage and Rs. 97.50 as the maximum wage.

3.26. The National Industrial Tribunal in Bank disputes fixed Rs. 153.48 as the minimum total emoluments of an unskilled worker and Rs. 197.16 as the maximum.

3.27. The Life Insurance Corporation of India, Bombay, paid its unskilled employees a minimum wage of Rs. 126.58 and a maximum wage of Rs. 233.30.

3.28. The Second Central Pay Commission's recommendation was that an unskilled worker should receive a minimum total wage of Rs. 120.50 and a maximum of Rs. 141.50.

3.29. The various Tribunals which have had occasion to examine the impact of rise in prices upon wage-structure, have taken the view that full neutralisation of the rise in the cost of living is an unattainable ideal. This was the opinion expressed by the Labour Appellate Tribunal in the case of Buckingham and Carnatic Mills (1952 Labour Appeal Cases, page 490). The Tribunal observed that "the industrial worker should also be called upon to make sacrifices like all other citizens affected by the rise in prices due to abnormal conditions, and complete neutralisation would tend to add fillip to the inflationary spiral."

3.30. The Central Wage Board for Cotton Textile Industry set out its opinion as follows:

"The Board has framed its unanimous decisions so as to ensure that the principles of a need-based formula as enunciated by the Resolution of the 15th Indian Labour Conference were kept

in view, that the gap between the present wage and the need-based wage of the formula was filled to the extent that the industry could bear, that the wage-structure was adjusted so as to present a cohesive movement towards betterment of conditions in the industry, towards greater rationalisation resulting in greater productivity and towards higher emoluments to labour and that the consumer was not over-burdened."

3.31. The Bombay Textile Labour Inquiry Committee, as long ago as 1937, sounded a note of doubt and warning. The Committee observed: "What we have to attempt is not an exact measurement of a well-defined concept. Any definition of a standard of living is necessarily descriptive rather than logical. Any minimum, after all, is arbitrary and relative. No completely objective and absolute meaning can be attached to a term like the 'living wage standard' and it has necessarily to be judged in the light of the circumstances of the particular time and country."

3.32. A final quotation from the Report of the Commission of Enquiry on Emoluments and Conditions of Service of Central Government employees—1957-59, will suffice:

....."The minimum wage cannot be of the order of Rs. 125, when on the basis of the national income the average for a family works out only to Rs. 97 per mensem. It is not that the entire national income is available for current distribution; a good percentage of it must go towards building up of capital assets, without undergoing distribution. A minimum wage pitched above the level of *per capita* income, and intended for very wide application is obviously one beyond the country's capacity; in ignoring the vital need for savings and investment, such a wage gives no thought to the future; and a wage that exceeds the highest level, and far exceeds the general level in the organised industries is obviously not one needed for protecting those whose living standards are sub-average." (Chapter VII, paragraph 10).

(i) Supreme Court Decisions

4. I shall now briefly examine the Supreme Court cases cited before me by the parties :

4.1. *Clerks of the Calcutta Tramways and Calcutta Tramway Company, Limited* (1956-II-LIJ-page 450).

In this case, the Supreme Court dealt with an appeal against the decision of the Labour Appellate Tribunal of India, Calcutta. The matter under consideration was the dearness allowance to be paid to the clerks and depot cashiers of the Calcutta Tramway Company Limited. Their grievance was that the dearness allowance allowed was not in accordance with the recommendations of the Bengal Chamber of Commerce, of which the Company was a member. The Supreme Court referred to paragraph 71 of the Report of the Central Pay Commission and also paragraph 43 of the Report of the Committee on Fair Wages. The Central Pay Commission had not recommended the neutralisation of the entire higher cost of living by means of dearness allowance. The Committee on Fair Wages had observed that "for the lowest categories of employees the target should obviously be compensation to the extent of 100 per cent of the increase in the cost of living. For categories above the lowest we agree that the same consideration will not apply."

The Supreme Court said: "We can now take it as settled that in matters of the grant of dearness allowance except to the very lowest class of manual labourers whose income is just sufficient to keep body and soul together, it is impolitic and unwise to neutralise the entire rise in the cost of living by dearness allowance. More so in the case of the middle classes."

The Supreme Court took the view that the Labour Appellate Tribunal had proceeded on correct principles in awarding the dearness allowance to clerks and depot cashiers and declined to interfere.

4.2. *Crown Aluminium Works and their Workmen* A1958-I-LLJ-Page 1).

This case arose out of the decision of an industrial tribunal to reduce the wage-structure of the employees of the Crown Aluminium Works. On appeal the Appellate Tribunal reversed the decision of the industrial tribunal holding that "it has been the convention with industrial tribunals not to reduce the existing emoluments of the workmen to their prejudice." The management appealed to the Supreme Court, and although in the abstract the Supreme Court held that the wage-structure could in some cases be reduced, the appeal of the employers was dismissed. The Supreme Court observed: "We do not think it would be correct to say that in no conceivable circumstances can the wage-structure be revised to the prejudice of workmen. When we make this observation we must add that even theoretically no wage-structure can or should be revised to the prejudice of workmen if the structure in question falls in the category of the bare subsistence or the minimum wage." The learned judges affirmed the rule postulated by the Committee on Fair Wages that if an industry cannot pay a wage higher than the poverty level wage, it has no right to exist.

4.3. *Standard Vacuum Refining Company of India, Ltd., and its Workmen* (including clerical staff) and another (1961-I-LLJ-page 227).

In two cross appeals between the Standard Vacuum Refining Company of India Limited and its workmen, the Supreme Court considered the workmen's claim for bonus. The Company had resisted the claim on the ground that it was paying a living wage to its workers. They had at the same time admitted their financial capacity to meet the entire claim made. The workers alleged that they were not being paid a living wage and there was a broad gap between the actual wages received by them and a living wage. The appeals arose out of an award made by the Industrial Tribunal, Bombay, upon a reference made by the Government of Bombay. The Tribunal could not, owing to the paucity of the material produced before it, come to any conclusion on the question of what was the living wage in Bombay but it awarded 5 months' basic earnings as bonus.

The Supreme Court referred to the observations of Mr. Justice Higgins in the Harvester case and to the resolution passed by the 15th session of the Indian Labour Conference held in New Delhi on July 11 and 12, 1957, as also to the report of the Fair Wages Committee. It pointed out that there were three categories of workmen's wages—(i) the minimum basic wage which is also the bare subsistence wage or the need-based wage, (ii) a fair wage which should be adequate to cover the normal needs of the average employee regarded as a human being in a civilized community and (iii) a living wage, which is "sufficient for the normal and reasonable needs of the average employee living in a locality where work under consideration is done or is to be done."

The Supreme Court pointed out that the concept of living wage was not a static concept and varied from place to place and from time to time. The considerations which went to determine the need-based wage were pointed out and the Supreme Court came to the conclusion that the workers were not being paid a living wage. The question mainly discussed was the claim of bonus and both the appeals were dismissed by the Supreme Court. The Supreme Court also pointed out that it was not fixing the wage-structure, and so it did not consider it necessary to go into further details regarding the quantum of what was a fair wage or a living wage. "We are dealing with the contents of the living wage in the present appeal not for the purpose of fixing a wage-structure; the contention raised by the appellant is that since the wages paid to the respondents have reached the stage of a living wage there is no gap between the actual wage and the living wage, and so there is no occasion to make a claim for bonus."

4.4. *Express News papers (P) Limited and another and Union of India and others (1961-I-LLJ-page 339).*

(This case was decided on March 19, 1958, nearly three years before the *Standard Vacuum Refining Company v. Its Workmen* which was decided on January 20, 1961).

In this case the Supreme Court considered the validity of an award given by the Wage Board and the *vires* of the working Journalists (Conditions of Service and Miscellaneous Provisions) Act, 1955. The award was set aside on the ground that the Board had not taken into consideration the capacity of the industry to pay. In the course of his discussion, Bhagwati J. made a number of observations regarding the nature of wages and the principles which should be taken into consideration in fixing wages. He pointed out that the concept of various types of wages was not fixed and static, it varied and was bound to vary from time to time. "With the growth and development of national economy, living standards would improve and so would our notions about the respective categories of wages expand and become more progressive." The learned Judge enumerated three types of wages after discussing a number of authorities, economic and judicial. He pointed out that the wages fall in three classes—(1) Living Wage, (2) Fair Wage and (3) Minimum Wage. In defining a living wage, he quoted with approval the Queensland Industrial Conciliation and Arbitration Act which I have already set out above (*vide* paragraph 3.1.).

The minimum wage he defined, as a wage which is sufficient to cover the bare physical needs of a worker and his family and also provide for some other essential requirements such as a minimum of education, medical facilities and other amenities. He said that a minimum wage must provide not merely for the bare subsistence of life but for the preservation of the efficiency of the worker. The fair wage lay in between these two standards. He referred to the opinion of the Indian National Trade Union Congress that a fair wage is a step towards a progressive realization of a living wage. He also quoted with approval the opinion of the Government of Bombay:

"Nothing short of a living wage can be a fair wage if under competitive conditions, an industry can be shown to be capable of paying a full living wage. The minimum wage standards set up the irreducible level, the lowest limit or the floor below

which no workers shall be paid.....A fair wage is settled above the minimum wage and goes through the process of approximating towards a living wage.”

He observed that whereas the bare minimum or subsistence wage would have to be fixed irrespective of the capacity of the industry to pay, the minimum wage thus contemplated postulates the capacity of the industry to pay and no fixation of wages which ignores this essential factor of the capacity of the industry to pay could ever be supported. He enumerated three principles of fixation of rates of wages:

- “(1) that in the fixation of rates of wages which include within its compass to fixation of scales of wages also, the capacity of the industry to pay is one of the essential circumstances to be taken into consideration except in cases of bare subsistence or minimum wage where the employer is bound to pay the same irrespective of such capacity;
- (2) that the capacity of the industry to pay is to be considered on an industry-cum-region basis after taking a fair cross-section of the industry; and
- (3) that the proper measure for gauging the capacity of the industry to pay should take into account the elasticity of demand for the product, the possibility of tightening up the organization so that the industry could pay higher wages without difficulty and the possibility of increase in the efficiency of the lowest paid workers resulting in increase in production considered in conjunction with the elasticity of demand for the product—no doubt against the ultimate background that the burden of the increased rate should not be such as to drive the employer out of business.”

4.5. *Lipton Limited and their employees (1959-I-LLJ-page 431).*

In this case, the Supreme Court decided three appeals filed by Lipton Limited against the decision of the Labour Appellate Tribunal which arose out of an award given by the Industrial Tribunal, Delhi.

The Supreme Court dealt mainly with two questions—Bonus and wage-scales. With regard to wage-scales, it affirmed its previous decision in 1961-I-LLJ-339—Express Newspapers Ltd. v. the Union of India. The Court reiterated that as far as the bare minimum wage is concerned, no industry has the right to exist unless it is able to pay its workmen at least a bare minimum wage. The industry-cum-region basis for fixing wage-scales was also affirmed.

4.6. *Unichoyi (U) and others and State of Kerala (1961-I-LLJ-page 631).*

In this case, the Supreme Court considered the question of minimum wages notified by the Government of Kerala upon a report made by a committee appointed under the Minimum Wages Act. The Supreme Court reaffirmed its previous decision in the Express Newspapers case (1961-I-LLJ-339) and pointed out that whereas the capacity to pay need not be taken into consideration in fixing a minimum wage which is essential for covering the bare physical needs of a worker and his family and for providing for the preservation of his efficiency by meeting his educational and medical requirements, the paying capacity becomes important when additions are to be made to the components of the minimum wage

which would take the minimum wage to a point near the lower level of the fair wage. There was nothing fresh laid down in this case and the principles enunciated in the Express Newspapers case were reaffirmed.

4.7. French Motor Car Company Limited and their workmen (1962-II-LLJ-page 744).

Some matters of dispute between the employer and the workmen were referred to the Industrial Tribunal, Maharashtra, and the award was challenged by the employers in an appeal before the Supreme Court. The facts were briefly as follows :—

In 1948, for the first time, there was an agreement between the employer and the employees fixing scales of wages. Soon after this, an award was made with regard to another concern—United Motors (India) Ltd.—which had the result of fixing higher wage-scales for the workers of that concern. These higher scales were adopted by two other Motor Car concerns, and the workmen of French Motor Car Company Ltd. then made similar demands. In 1953, an award was made by which practically the same wage-scales were prescribed as in the other three concerns. In 1954, there was another agreement by which wage-scales of the clerical staff were fixed. Then, in 1958, arose the dispute that gave rise to the award under appeal. The Supreme Court dealt with three matters—(i) Wage-scales, (ii) Dearness Allowance and (iii) Provident Fund.

When dealing with the question of the wage-scales, the Court observed:

- (i) "It is now well settled that the principle of industry-cum-region has to be applied by an industrial court, when it proceeds to consider questions like wage-structure, dearness allowance and similar conditions of service. In applying that principle, industrial courts have to compare wage-scales prevailing in similar concerns in the region with which it is dealing, and generally speaking, similar concerns would be those in the same line of business as the concern with respect to which the dispute is under consideration."
- (ii) "It was urged by the company that if it compared with concerns in its own line of business, there would be no justification for increasing the wage-scales for it is already paying the highest scales in that line of business. We are of opinion that this argument cannot be accepted, for it would then mean that if a concern is paying the highest wages in a particular line of business, there can be no increase in wages in that concern whatever may be the economic conditions prevailing at the time of dispute."
- (iii) "There is, however, difference between workshop employees on the one hand and clerical and subordinate staff on the other, for workshop employees generally require a particular skill which is peculiar to the particular industry, while the same cannot be said to a great extent with respect to the clerical and subordinate staff."

The Supreme Court referred to its judgment in *Lipton Limited vs. their employees* (1959-I-LLJ-431) and said: "In effect this decision means that in case of employees of the class mentioned therein it may be possible to take into account even those concerns which are engaged in

an entirely different line of business, for the work of employees of this class is more or less similar in all concerns”.

4.8. *Hindustan Times Ltd. and ther workmen* (1963-I-LLJ-page 108).

A dispute between the Hindustan Times Ltd. and its workmen relating to a number of matters was referred to the Industrial Tribunal, Delhi. An award was made and appeals by both parties were taken to the Supreme Court.

The Supreme Court considered the question of wage-structure, and pointed out that the Hindustan Times Ltd. was in a sound financial position; it had been making big profits even after implementing the increase in wages as directed by the Award; the balance-sheet showed a profit; the company owned its own aeroplanes and possessed immovable property of considerable value; it had built up good reserves and was still making good profits; its future prospects were good having regard to the progress of education in the country and the increasing news-mindedness of the people.

Das Gupta, J. who delivered the judgment of the Court dismissing the employer's appeal, laid-down certain principles of fixation of wage-structure and the following observations were made by him: “The fixation of wage-structure is among the most difficult tasks that industrial adjudication has to tackle. On the one hand not only the demands of social justice but also the claims of national economy require that attempts should be made to secure to workmen a fair share of the national income which they help to produce. On the other hand, care has to be taken that the attempt at a fair distribution does not tend to dry up the source of the national income itself. On the one hand, better living conditions for workmen that can only be possible by giving them a “living wage” will tend to increase the nation's wealth and income. On the other hand, unreasonable inroads on the profits of the capitalists might have a tendency to drive capital away from fruitful employment and even to affect prejudicially capital formation itself. The rise in prices that often results from the rise of the workmen's wages may, in its turn, affect other members of the community and may even affect prejudicially the living conditions of the workmen themselves. The effect of such a rise in price on the country's international trade cannot also be always ignored. Thus numerous complex factors, some of which are economic and some spring from social philosophy, give rise to conflicting considerations that have to be borne in mind. Nor does the process of valuation of the numerous factors remain static. While international movements in the cause of labour have for many years influenced thinking and sometimes even judicial thinking in such matters, in this country, the emergence of an independent democratic India has influenced the matter even more profoundly”.

A reference was made to the Standard Vacuum Refining Company case (1961-I-LLJ-227) and the learned Judge observed that (i) at the bottom of the wage-scales was the minimum basic wage and if an industry could not afford to pay this basic wage, it has no right to exist. (ii) above this was the fair wage which roughly approximates to the need-based minimum, (iii) the need-based minimum is a wage adequate to cover the normal needs of the average employee regarded as a human being in a civilized society, and (iv) above the fair wage is the “living wage” which was defined by Phillip Snowden in “The Living Wage” as “a wage which will maintain the workman in the highest state of industrial

efficiency, which will enable him to provide his family with all the material things which are needed for their health and physical well-being, enough to enable him to qualify to discharge his duties as a citizen".

4.9. *Indian Oxygen Ltd. and its workmen (1963-II-LLJ-page 83).*

Certain matters including wage-scales of the workmen of Indian Oxygen Ltd. were referred to the Industrial Tribunal, Maharashtra. The Tribunal increased the wages and the employer took an appeal to the Supreme Court. The appeal was dismissed.

The facts briefly were that, in 1949, the wage-scales of the workmen were fixed. In 1957, the workmen made demands for higher wages but these demands were rejected by the Tribunal. Their wage-scales compared favourably with the wage-scales prevailing in other engineering concerns. In 1962, the reference under special leave was made.

The Supreme Court held that a case for revision was obviously made out because conditions had changed between 1949 and 1962 and even between 1957 and 1962. It further held that although the Indian Oxygen Ltd. was the only company of its kind carrying on business in Bombay, it was not improper to make comparisons with the wage-scales obtaining in other engineering concerns. The comparison with Greaves Cotton & Co. Ltd., a managing agency concern, was not truly apposite; nor with the Imperial Tobacco Co. Ltd., nor with the Associated Cement Co. on the ground that it had no factory in Bombay but only its head office. The Court also held that Oil Refineries stood in a class by themselves. A comparison was made with concerns like Indian Cable Co. Ltd. and Automobile Products. The Supreme Court further held that the Tribunal was right in giving a slightly higher scale in some cases to the workmen of Indian Oxygen Ltd. "apparently in view of the fact that appellant-company was always a leading employer in the matter of wage-scales".

The importance of this decision lies in the fact that though there was no exactly comparable industry, a comparison of the Indian Oxygen Ltd. with other engineering concerns was not unreasonable.

4.10. *Greaves Cotton & Co. Ltd., and other and their workmen (1964-I-LLJ-page 342).*

In this case, the Supreme Court, while dealing with 9 appeals by four companies under a single control, dealt with the principles which should govern the fixing of wages, dearness allowance and gratuity. The dispute between the employers and their workmen had been referred to the Industrial Tribunal, Bombay.

The Supreme Court applied the principle of industry-cum-region basis, and observed that where there are numerous industrial concerns of the same kind in the same region, it will be proper to put greater emphasis on the industry aspect of the principle. But, where the number of comparable concerns is small in a particular region, and therefore, the competition aspect is not of the same magnitude, the regional part of the

industry-cum-region formula assumes greater importance, particularly with reference to clerical and subordinate staff.

With regard to the dearness allowance payable to the subordinate staff *vis-a-vis* the clerical staff, the Supreme Court observed as follows: "Time has now come when employees getting the same wages should get the same dearness allowance irrespective of whether they are working as clerks, or members of subordinate staff or factory-workmen. The pressure of high prices is the same on these various kinds of employees. Further, subordinate staff and factory-workmen these days are as keen to educate their children as clerical staff and in the circumstances there should be no difference in the amount of dearness allowance between employees of different kinds getting the same wages. Further an employee, whether he is of one kind or another getting the same wage, hopes for the same amenities of life and there is no reason why he should not get them, simply because he is, for example, a factory-workmen though he may be coming from the same class of people as a member of clerical staff."

In this case, there was no dispute about the ability of the employer to pay.

4.11. *Workmen of Balmer Lawrie & Co. Ltd. and Balmer Lawrie & Co. Ltd.* (1964-I-LLJ-page 380).

This appeal before the Supreme Court arose out of an award made by the Industrial Tribunal, West Bengal, upon a dispute between Balmer Lawrie & Co. Ltd. and their workers. The items of dispute were:

- (i) Grades and scales of pay,
- (ii) privilege leave,
- (iii) medical leave, and
- (iv) retiring age.

The Tribunal rejected all the demands but awarded a rise of Rs. 10 per mensem on the minimum salary. In an appeal to the Supreme Court, the Supreme Court increased the retirement age from 55 to 58, and referred to two previous cases—*Guest, Keen, Williams (Private) Ltd. v. P. J. Sterling and others* (1959-II-LLJ-405) and *workmen of Jessop & Co. Ltd. v. Jessop & Co. and others* (Civil Application No. 360 of 1961, decided on August 2, 1963). The decision of the Tribunal with regard to privilege leave and medical leave was upheld. The question of grades and scales of pay was referred back to the Tribunal for decision according to law.

The Tribunal had held that conditions had not altered since the wages were fixed on the previous occasion and so no increase was justified. In 1949, there had been made an award which was valid for three years. There was a revision of pay and wages in 1952, and again in 1955. The Tribunal also took the view that since the dearness allowance was paid to the workmen under the Bengal Chamber of Commerce formula, no increase was justified. The Supreme Court held that there was no enquiry into whether the dearness allowance afforded complete neutralisation to the employees against the rise in the cost of living. The Supreme Court further observed that the technicalities of *res judicata* did not apply and "if the paying capacity of the employer increases or the cost of living shows an upward trend, or there are other anomalies, mistakes or errors in the award fixing wage-structure, or there has been a rise in the wage-structure in comparable industries in the region, industrial employees

would be justified in making a claim for the re-examination of the wage-structure and ...the adjudicator would not normally be justified in rejecting it solely on the ground that enough time has not passed after the making of the award, or that material change in relevant circumstances had not been proved".

With regard to a comparison with other industries, the Supreme Court observed: "This question is considered in the light of material facts and circumstances which are generally proved by documentary evidence. What is the total capital invested by the concern, what is the extent of its business, what is the order of the profits made by the concern, what are the dividends paid, how many employees are employed by the concern, what is its standing in the industry to which it belongs, these and other matters have to be examined by industrial adjudication in determining the question as to whether one concern is comparable with another in the matter of fixing wages."

4.12. *Gramophone Company Ltd. and its Workmen* (1964-II-LLJ-page 131).

In this case, the Supreme Court dealt with two appeals which arose out of an award made by the Industrial Tribunal of Bombay upon a reference regarding a number of matters. One of the appeals was by the employers in which questions of gratuity and privilege leave were raised, and the other appeal was by the workmen in which a number of other points were also raised.

The Gramophone Company had its headquarters and factory at Dum Dum and a branch office at Bombay where about 72 workmen—both clerks and subordinate staff—were employed. The dispute was raised by the workmen at Bombay, and the Tribunal, *inter alia*, decided that the company had the financial capacity to sustain the introduction of a Gratuity Scheme. Before the Supreme Court, it was urged by the company that the quantum of profits made by the company did not justify the payment of gratuity to its workmen. The Supreme Court considered the matter and repelled the company's contention that the amount to be provided for taxation and for Development Rebate Reserve should be deducted from the gross profits before considering whether the profits were sufficient to sustain a Gratuity Scheme. Wanchoo, J. who delivered the judgment, observed: "We are of opinion that this is not the correct way of judging the financial capacity of an employer, assuming that the figures in the balance sheets are all accepted as they are. When an industrial tribunal is considering the question of wage-structure and gratuity which in our opinion stands more or less on the same footing as wage-structure, it has to look at the profits made without considering provision for taxation in the shape of income-tax and for reserves. The provision for income-tax and for reserves must in our opinion take second place as compared to provision for wage-structure and gratuity, which stands on the same footing as provident fund which is also a retiral benefit. Payment towards provident fund and gratuity is an expense to be met by an employer like any other expense including wages and if the financial position shows that the burden of gratuity and provident fund can be met without undue strain on the financial position of the employer, that burden must be borne by the employer."

The judge further observed that a large portion of the burden would be compensated by the reduction in income-tax. The Tribunal had

awarded half-a-month's basic salary for each year subject to a maximum of 15 months' of service by way of gratuity.

The judge also said: "The grades fixed by the Tribunal are what may be called intermediate grades; they are lower than the highest and higher than the lowest grades in the region."

The workers' appeal was dismissed by the Supreme Court as also the appeal of the employers.

4.13. *All-India Reserve Bank Employees' Association and Another v. The Reserve Bank of India Another* (1965-II-LLJ-page 175).

The latest pronouncement of Supreme Court is contained in the judgment delivered by Hidayatullah, J. in this case.

The Supreme Court was considering the question of the scales of pay and dearness allowance of the employees of the Reserve Bank of India. The Reserve Bank's position was that it did not wish to get seriously out of step with Government or the commercial banks. The Reserve Bank referred to the Pay Commission's Report and pointed out that the demands of the employees took no notice of the state of the Indian economy. The Association of the workers, on the other hand, based its claims on the norms set up by the Fifteenth Tripartite Labour Conference at Nainital where the need-based wage formula for Indian workers was evolved. The learned Judge after briefly tracing the history of the events which gave rise to the dispute before the Supreme Court, referred to the Report of the Fair Wages Committee and went on to say:

"The Report of that Committee has been cited over and over again. In the *Standard Vacuum Refg. Co. v. Its Workmen*, this Court elaborately analysed the concept of wages as stated by the Committee. The Committee divided wages into three kinds—living wage, fair wage and minimum wage. Minimum wage, as the name itself implies, represents the level below which wage cannot be allowed to drop. It was universally recognised that a minimum wage must be prescribed to prevent the evil of sweating and for the benefit of workmen who were not in a position to bargain with their employers. This received immediate attention in India, though there was an International Convention as far back as 1928, and the demand for fixation of minimum wages extended to even the non-sweated industries. The result was the Minimum Wages Act of 1948. The Fair Wages Committee understood the term minimum wage as the lowest wage in the scale below which the efficiency of the worker was likely to be impaired. It was described as the "wage floor" allowing living at a standard considered socially, medically and ethically to be the acceptable minimum. Fair wages by comparison were more generous and represented a wage which lay between the minimum wage and the living wage. The United Provinces Labour Enquiry Committee classified the levels of living as (i) poverty level, (ii) minimum subsistence level, (iii) subsistence plus level, and (iv) comfort level. The concept of fair wages involves a rate sufficiently high to enable the worker to provide a standard family with food, shelter, clothing, medical care and education of children appropriate to his status in life but not at a rate exceeding the wage earning capacity of the class of

establishment concerned'. A fair wage thus is related to a fair workload and the earning capacity. The living wage concept is one or more steps higher than fair wage. It is customary to quote Mr. Justice Higgins of Australia who defined it as one appropriate for 'the normal needs of average employee, regarded as a human being living in a civilized community'. He explained himself by saying that the living wage must provide not merely for absolute essentials such as food, shelter and clothing but for 'a condition of frugal comfort estimated by current human standards' including 'provision for evil days, etc., with due regard for the special skill of the workmen'. It has now been generally accepted that living wage means that every male earner should be able to provide for his family not only the essentials but a fair measure of frugal comfort and an ability to provide for old age or evil days. Fair wage lies between the concept of minimum wage and the concept of living wage".

While considering the 3 consumption units formula, the National Industrial Tribunal, whose judgement was appealed against, had laid down 2.25 consumption units as just and adequate for calculating the minimum wage. On this point, the Supreme Court observed:

"In our judgment, the tribunal was not wrong in accepting 2.25 consumption units. But it seems to us that if at the start the family is assumed to be 2.25, it is somewhat difficult to appreciate that the family would take 8 years to grow to 3 consumption units. We are aware that the Sastri tribunal thought of 3 consumption units at the tenth year and the Sen tribunal at the eighth year but we think these miss the realities of our national life. In our country it would not be wrong to assume that on an average 3 consumption units must be provided for by the end of five years' service. The consumption units in the first five years should be graduated. As things stand today, it is reasonable to think that 3 consumption units must be provided for by the end of five years' service, if not earlier".

The Supreme Court also pointed out that the Reserve Bank was not a profit-making commercial undertaking and its surplus income is handed over to the Government and becomes national income. With regard to rise in prices, the Supreme Court observed:

"Unfortunately, we are constantly finding that basic wage, instead of moving to subsistence plus level, tends to sag to poverty level when there is a rise in prices. To overcome this tendency our wage-structure has for a long time been composed of two items, (a) the basic wage, and (b) a dearness allowance which is altered to neutralize, if not entirely, at least the greater part of the increased cost of living. This does not solve the problem of real wage. At the same time, we have to beware that too sharp an upward movement of basic wage is likely to affect the cost of production and lead to fall in our exports and to the raising of prices all round. There is a vicious circle which can be broken by increased production and not by increasing wages. What we need is the introduction of production bonus, increased fringe benefits, free medical, educational and insurance facilities. As a counterpart to this, capital must also be prepared to forego a part of its return.

There is much to be said for considering the need-base formula in all its implications, for it is bound to be our first step towards living wage. As in many other matters relating to industrial disputes the problem may, perhaps, be best tackled by agreement between capital and labour in an establishment where a beginning can be safely made in this direction".

(ii) Wage-structure at the Middle Level—between Rs. 650 and Rs. 1,500 per mensem.

5. I now come to the requirements of wage-earners whose monthly emoluments lie between the limits of Rs. 650 and Rs. 1,500. For them, it is not a case of struggling to exist or tackling the wage-price squeeze. They can provide themselves and their families with the bare necessities of life, they have no difficulty in obtaining the type of food which will meet their purely physical needs. But their lot, nevertheless, is by no means enviable. They have other needs and requirements which to them are as essential as the basic ingredients which provide the manual labourer with the irreducible minimum of calories and vitamins to maintain his efficiency. The workmen of this middle-class are educated, they employ their brains to a much larger extent than their hands. They have to think and plan, to evolve a line of action instead of going through the movements of a drill and following a set pattern, to find solutions to problems as they arise instead of being furnished with ready-made answers; they have to make suggestions instead of always being told what to do. In the words of the poet, "they think by fits and starts. And when they think they fasten. Their hands upon their hearts". They belong to a higher social stratum, they are accustomed to a better, though by no means a soft, way of life. The recreation they take is of a more complex, sophisticated and expensive variety. They have a desire to better the lot of their children. For them, their food, clothing, transport, school-fees, entertainment and recreation cost much more. Even more than the workmen of the first category, they wish to be secure, for their field of employment is more restricted, both because the number of available jobs is in inverse proportion to the quantum of remuneration attaching to them, and because the better paid jobs tend to become specialised. The rapid rise in prices has made their household budgeting an extremely difficult matter for they have to deprive themselves of almost every type of luxury, though their upbringing, their position in society and the hopes they entertain with respect to the future of their children entitle them to some amenities in addition to the absolute requirements of a purely physical existence. They, perhaps, have suffered most by the rapid rise in the cost of living. But, in their case too, there is need for caution. In one way or another, their total emoluments have been added to during the course of years. Their demand for an increase in wages and other benefits must be viewed in relation to the change in living conditions during the last three or four years, because the present scales and allowances were agreed to by the workmen of Air-India and were considered adequate by them in 1960 or on subsequent dates when the various agreements were entered into. An increase must be justified by even more cogent and convincing evidence than in the case of the lower paid employees who live near the fringe of existence and a slight imbalance in whose razor-edge financial position is productive of deep damage. While therefore, no rule of thumb or well-defined guiding principle can be evolved for fixing the wage-structure of this class, we must examine their case with sympathy and circumspection, guarding ourselves alike against emotional vulnerability and an unconscious reluctance to give more to those who have.

(iii) Wage-structure at Upper levels

6. In the last class are the better paid employees whose emoluments are in excess of Rs. 1,500 per mensem. There is at once an involuntary resistance against their demands for we who have committed ourselves to a socialistic pattern of life are inclined to look upon these individuals as people living in a state of affluence. Their case rests on their superior status, their better talents, the greater responsibility they assume and the more specialised contribution they make to the progress and productivity of the industry they serve. Their importance is an admitted fact, for no one disputes that a highly skilled engineer and a competent pilot are of the greatest value and must, therefore, be paid high salaries commensurate with the importance of the duties they perform. But, if we assume that they were being paid adequately in say 1960, is there justification for any increase in their emoluments merely because the cost of living has gone up? The money spent on the absolute necessities of life is only a small portion of their total wage packet. It cannot be said that they are affected more than to a small extent by increased prices during the last four years. They certainly cannot afford the more expensive luxuries nor can they put by a great deal of money for a time of emergency; but the sacrifice they have to make is not so great nor so distressing as the suffering of the lowest paid individuals who are compelled to face squalor or starvation by the rise of a few points in the cost of living index, nor do they live as near the brink of solvency as the workmen of the second class. Indeed, the Government has actually lowered the upper limit of the higher paid officials since 1947, though the cost of living has been steadily going up. Newly appointed Secretaries to the Government of India and Judges of the High Courts are paid Rs. 3,500 per mensem instead of Rs. 4,000 as formerly. The complaint is not that Rs. 3,500 is not a living wage but that persons of high calibre who are fit to be appointed to such high positions deserve a higher salary because of their special talents. If we are to assume that in the opinion of the chosen representatives of this country no one in the public services should be paid more than Rs. 3,500 per month whatever his skill, ability or talents, then, it must follow that in considering the demands of the workmen whose emoluments fall in the higher category, there is little justification for an automatic rise consequent upon an increase in the prices of essential commodities. Indeed, we must apply wholly different criteria from those which must be brought into play while fixing the wage-structure at the lower levels where the cost of living is of much greater importance and significance. In their case, the capacity of the industry to pay must be given greater weight, and a resolute stand taken against any attempt to use what has come to be known, "pressure tactics". The danger of conceding an unreasonable or unjustifiable demand is that it weakens the giver and emboldens the receiver, making both of them disregard the perils of an economic nemesis. It has the same lamentable and irretrievable consequences as result from submitting to blackmail. If in the difficult economic struggle through which we are passing, sacrifices have to be made, they must be made by all, whether they are government servants, private employees or members of an establishment in a public sector. At the same time, it must be remembered that a civil servant of the government enjoys certain rights and privileges which are not available to an industrial workman in the private or public sector. These benefits cannot be assessed in terms of money, but they are sufficiently attractive and rewarding to make government service a desirable vocation. In private industry high salaries are paid to competent persons because their special skill increases productivity and profits and high wages do operate

as an incentive to better and harder work on the part of the worker. In considering the wage-structure of the workmen in this class, it is necessary to find a balance, a medium, which will take into account these opposing pulls.

(iv) Comparative study of wage-structure

7. A reference to the low productivity of labour has already been made. This circumstance was pointed out in the report on "*Problems of Wage Policy in Asian Countries*" placed before the International Labour Organisation in Tokyo. The figures given in the report show that the *per capita* income in India in 1949 was only \$ 57 per annum as compared with \$ 100 in Japan, \$ 773 in the United Kingdom, \$ 849 in Switzerland and \$ 1,453 in the United States of America. In the Asian countries, with the exception of Japan and Ceylon, the corresponding figure was \$ 27 for China, \$ 36 for Thailand, \$ 36 for Burma, \$ 25 for Indonesia and \$ 44 for the Philippines. The report points out that since the incomes and living standards of the working population in India are limited by the amount of goods and services they can produce, the solution lies in expanding the volume of total national output as rapidly as possible.

7.1. Another important circumstance pointed out in the report is that the average earnings of agricultural wage-earners are lower than those of industrial wage-earners. The following comparative table,

Average Annual Earnings of Agricultural Workers in Seven States in India, 1949

State	Agricultural workers			Factory Workers	
	Village	per family	per earner	All Industries	Lowest paid industry
Assam	Magupara	477·1 ¹	339·0	951·1	284·3
Bihar	Dorwan	444·4	261·6	946·2	335·9
Madhya Pradesh	Khapri	312·8 ²	186·2	841·9	325·4
Madras	Vandalur	322·5	165·5	726·6	373·8
Orissa	Khuntuni	$\left\{ \begin{array}{l} 267·6^3 \\ 347·4^4 \end{array} \right\}$	152·1	527·0	151·7
Uttar Pradesh	Khalispur	$\left\{ \begin{array}{l} 754·0^5 \\ 488·3^6 \\ 251·6^7 \end{array} \right\}$	280·4	993·0	652·5
West Bengal	Brindabanpur	$\left\{ \begin{array}{l} 464·6^8 \\ 641·7^9 \end{array} \right\}$	364·5	839· ¹	676·1

¹. Agricultural worker with land. ². Casual worker without land. ³. Attached worker. ⁴. Casual worker. ⁵. Attached worker with land. ⁶. Attached worker without land. ⁷. Landless casual worker. ⁸. With land. ⁹. Without land.

printed at page 17 of the report shows that except in the States of Assam and Orissa, even the lowest paid industrial worker receives or earns much more than an agricultural worker. These two States were not highly industrialized in 1949 and the figures of to-day may well be more in conformity with those which obtain the remaining States. The disparity in the greatly industrialized States of Uttar Pradesh and West Bengal is striking, the industrial worker earning on an average more than double of what his agricultural compatriot earns. The disparity makes a serious inflationary impact on the country's economy by pushing up the prices of consumer goods and thus starting a vicious circle of increased wages and high prices continually chasing each other at a rapid and accelerating pace.

7.2. The Labour Government of Great Britain has for some time now been considering this aspect of the wage policy. It must be remembered that the Labour Government represents, by and large, the working classes of Britain and is, therefore, more sympathetic to the needs and demands of workers than any other Government can be expected to be. The problem of wage policy, however, is not an easy one even in the affluent state of Britain. I may draw attention to some observations made by John Morgan, a writer on economic questions, in an article published in the New Statesman of November 5, 1965. The writer was discussing the demand of the workers for an increase in wages and he observed:

"There would be nothing wrong with this year's increase in wages if it had been accompanied by a rise in productivity that was anything like comparable. Moreover the increases in wages have tended to be in response to market forces and have contained little of that element of social justice which advocates of income policy have always regarded as one of its most attractive features. Workers in the public sector remain the most malleable and vulnerable.

The main error was probably to raise expectations too high too quickly. It was all very fine to win the signatures of union leaders and employers to hopeful statements of intent. Unfortunately, at the shop floor level other forces were at work. The pound might be in danger, we might be pricing ourselves out of world markets. Meanwhile employers were fighting each other for labour. In engineering, or any industry needing skilled men, intricate, so-called incentive schemes are devised to keep men away from rivals. The incentive is not in the cause of productivity but in keeping the men. The chairman of vast companies will tell tales of bogus overtime awarded as a concealed wage increase. 'Wage drift' takes a thousand forms. Employers, senior trade union leaders tell me, have seldom been so ready to pay out."

7.3. The writer quoted from a comment of the U.S. Council of Economic Advisers:

"For all that, the government is faced with the immediate task of holding back the growth of incomes this winter. It cannot afford to let its policy fail. The alternative—allowing the market forces from play, as Tory pundits have it—would be a classic deflation. Unemployment would quickly become severe; the prospects for new productivity programmes would be thin in a general freeze-up. The government's prospects

would dim with the dimming hopes of that economic growth on which its social policies depend. Clearly something new has to be tried both to achieve a quick practical result and to reassert the psychology of the policy."

7.4. The opinion of this economic expert, therefore, clearly shows that the demand for increase in wages is not always justified on grounds of social justice, and in certain circumstances, the Government may feel the need of keeping down wages in the interests of general economy.

7.5. Again, the calculation of a need-based wage by Justice Higgins as well as by the Committee on Fair Wages has been made on the assumption that the average working class family consists of three adult units comprising the wage earner, his wife and two children. The earnings of the wife and children have been excluded in drawing up the family budget. At the lowest level however, which means, during the early years of a worker in an industry where there is a progressive wage increase by increments, it cannot be said that the family consists of four individuals. The fresh recruit may be unmarried or he may have no more than one child in which case the consumption units of his family are less than three. As the years pass, there are additions to his family and his earnings have also increased. Therefore, it does not seem to me that while considering the lowest wage of a worker in Air-India where there is a progressive increase in all grades of salaries by means of increments, we are justified in taking a family to consist of three consumption units at the very start of the workman's service. In the Reserve Bank of India case discussed above, the Supreme Court affirmed the decision of the Industrial Tribunal to assess wages on the basis of 2.25 consumption units per family at the start. Moreover, in the family of an unskilled labourer, it is not uncommon to see that the wife and the adolescent children earn additional income by doing casual work. Women take up part-time household work in towns such as sweeping rooms, cleaning utensils or acting as ayahs or baby-sitters while the boys run errands, do shoe-shine work, sell newspapers or help at a shop. To look at these facts is not to take up a callous or even an uncharitable attitude in order to find an excuse for refusing relief to the poorer classes or denying them the means of improving their standard of living; it is simply to accept the existence of facts which are matters of common knowledge, of a reality which is to be encountered not only in India but everywhere in the world. Indeed, in the more affluent countries of the West, women and adolescent members of a worker's family relieve the principal wage-earner's burden to a very large extent. The earnings of teenagers alone in the western countries, were in 1957, computed at the high figure of £ 900 millions per year. The Committee on Fair Wages considered this matter in some detail and observed in paragraph 31:

"The Committee examined the figures given in Appendix III which were collected in the course of certain family budget enquiries made in the past. These figures showed that though the number of persons per family frequently exceeded the figures warranted by three consumption units, the total number of earners in the family was well above one. It was considered that if provision had to be made for more than three consumption units, there was no reason why account should not also be taken of the actual number of wage earners in the family."

7.6. In the case of Bombay, the relevant figures taken from Appendix III are as follows:

State	Number of persons per family	Earners				Total
		Adults		Children		
		Men	Women	Boys	Girls	
1	2	3	4	5	6	7
BOMBAY						
Bombay	3.96	1.28	0.24	0.01	..	1.53

Therefore, making allowance for the additional earnings of the family we arrived at the figure 1×3.96 divided by $1.53 = 2.6$ as the effective consumer units which must be supported by the wage earners' individual earnings.

7.7. It is a matter of common knowledge that even the lowest paid industrial workers find the means of some elementary luxuries and entertainment, e.g., cigarettes, liquor or a weekly visit to the cinema. I say this not in a spirit of carping criticism or disapproval, for I am convinced that workers at the lower level need these reliefs and palliatives even more than their more fortunate and better paid colleagues, but I do wish to point out that the industrial workers are not suffering the pangs of hunger and deprivation to the extent they frequently proclaim. A low paid worker is perfectly justified in complaining that the rise in the cost of living has greatly added to the difficulties and problems of his existence; but when it is said on his behalf that he is living a life of utter misery and that he is in a perpetual state of penury and starvation, it is surely an overstatement of his case, and the pitiable pictures of the way he is obliged to live are belied by visual observation. There are millions of our countrymen whose earnings are less than those of an industrial worker, and in the present state of our economy, to push up the wages of the industrial workers must inevitably result in depressing the lot of others, particularly those who are engaged in agriculture, and that, in view of the urgency and importance of agricultural production, would be calamitous. The lowest wage of an unskilled labourer in Air-India was fixed at the figure of Rs. 123 (basic wage Rs. 50, dearness allowance Rs. 73) in May 1960, when the consumer price index (base June 1934=100) was 421. The consumer price index in July 1964, when the present reference was made, was 526 and on this basis, the lowest wage should be Rs. 153.6 per mensem. In fact, the lowest pay at present, after adding the interim relief given on January 1, 1964, is Rs. 138 and Rs. 162 after a year's service, on earning in addition, an *ad hoc* increment awarded by this Tribunal on February 15, 1965.

7.8. I shall have occasion to examine this aspect of the matter in greater detail in Chapter VII, but let me here make a brief and rapid

comparison with the minimum wages prevailing in some of the industrial concerns in the public sector and also in Government offices. The unskilled workers of the lowest grade in (i) the Atomic Energy Establishment, Bombay, (ii) the Bombay Municipal Corporation, (iii) the Civil Aviation Department, Bombay, and (iv) the Posts and Telegraphs Workshop, Bombay, are paid only Rs. 120.50 or less per mensem, inclusive of all allowances. The employees of the Maharashtra Government at Bombay are paid Rs. 102 per mensem and the corresponding employees of the Central Secretariat, Delhi, are paid Rs. 120.50 per mensem.

7.9. How can these differences be explained or reconciled? If the need-based wage represents the absolute minimum required to feed, house and clothe an average working class family, and if any lowering of the wage below this minimum gives rise to a yawning gap which draws the worker and his family into the abyss of starvation, penury and misery, why does the Government knowingly commit its servants to such a wretched state? Surely, the same Government which negotiates the payment of a need-based wage to factory workers in the private sector and in some of the public corporations, cannot, in justice, equity and humanity, deny that very minimum to its own servants. Yet, this state of affairs exists. Is the lot of these unfortunate Government servants as miserable as the calculations of Dr. Aykroyd and Dr. Patwardhan would lead us to believe, or is there some error, fallacy or miscalculation in the argument? Have the needs of an unskilled labourer been exaggerated or do hundreds of thousands of Government servants have a standard of living which the Government believes and declares to be below any that even our poor economy should morally permit? Surely, Government servants of the lowest grade, *e.g.*, sweepers, gardeners, chowkidars, night watchmen etc. can boast of no compensating factor of power, dignity and prestige as are enjoyed by the highest officers of the Government who make and implement policies, who exercise patronage and have their hands on the controls of power and who therefore, are willing to work at salaries far below those which they could demand for hiring their brains to industries in the private sector. To me, there seems not the slightest reason why Government servants should be paid less than their counterparts in private offices and industry. If, and let me repeat, if the need-based wage represents the minimum to which a self-respecting worker is entitled so that he may maintain his health and efficiency, is not what is good for the private goose also good for the Government gander? On the other hand, if the Government servants are paid an adequate wage, then the industrial workers, more particularly in the private concerns, are being paid at a rate not justified by the country's economy and by the low level of our national income. No one has ever suggested that the basic needs of factory workers in the private sector are in any way different from or greater than the needs of Government servants in corresponding categories. The conclusion, therefore, is irresistible that the minimum wages which are being paid to the unskilled workers of the lowest grade in many industries in the private sector are extremely generous and approximate to a living rather than to a minimum wage.

7.10. I have so far considered the question of a fair wage for the lowest paid worker from the viewpoint of his basic elementary needs. In a profit-making industry, there may be justification for giving to all workers a share of the profits, so that they may feel that they have a stake in the undertaking and have the expectation of a special reward for contributing to increased productivity. It is in the fitness of things that the workers of all grades and classes should have a feeling of "belonging", of

having an incentive to make greater effort, for more work will mean more production and more profits and an addition to their earnings. This kind of increase in wages, however, constitutes a sharing of profits—a perfectly legitimate aim—and cannot be treated as the satisfaction of a demand arising out of the basic physical needs of the worker and his family. Profit sharing usually takes the form of bonus and it should not be confused with an increase in wages necessitated solely by a rise in the prices of essential commodities. In their Statement of Claims, the workers have demanded a share in the increasing prosperity of the Corporation, and made the quantum of profits earned by the Corporation a ground for claiming higher wages. But, the two matters (i) the demand for higher wages because the present wages are insufficient and (ii) the demand for an increase in wages because the Corporation is earning large profits, must be kept separate and not confused, even though both the demands may be fully justified. Once it is conceded that an industry has no right to exist if it cannot pay its workmen the minimum wage, then the argument of high profits cannot be invoked to demand a minimum wage, for even a non-profit making industry is obliged to pay this minimum. The question of profits becomes relevant when fixing a fair wage above the minimum wage, for then the “capacity” factor comes into play. If, however, the workers are already being paid a fair wage, then increased profits may be shared in the form of a bonus but not in the form of an increase in wages. To increase wages because of increased profits will open wide the door to economic imbalance, a sense of envy and frustration among workers (doing similar work) in less fortunate undertakings and the evils adumbrated by John Morgan.

(v) Conclusion

8. Summing up the conclusions to be drawn from the above discussion of the various committee reports and Supreme Court judgments, the following general principles may be deduced and borne in mind when endeavouring to formulate a just and reasonable wage-structure for industrial workers of the different grades:

- (i) at the lower salary scales the workmen should be paid a fair wage as defined in the Report of the Committee on Fair Wages, due regard being paid to the cost of living as manifested in the consumer price index prevailing at the relevant time. The basis of three consumer units per family cannot, however, be accepted as an absolute, invariable hypothesis;
- (ii) the capacity of the industry to bear the additional burden if the wage scales are to be raised must be borne in mind if the worker is getting a wage above the poverty level;
- (iii) in assessing the capacity of the industry to pay, not only its actual financial state but also its compulsive necessity to progress and expand in the future, must be taken into consideration;
- (iv) an important rule in the fixation of wage-structure is the industry-*cum*-region basis as being conducive to uniformity and contentment by ensuring the principle of equal wages for equal and similar work;
- (v) where an industry has few or no rivals and an industry-wise comparison cannot be made, the regional factor assumes greater importance;
- (vi) if there are any special features peculiar to the industry under consideration, e.g., hazards or benefits not obtaining in other

industries however similar or comparable, due weight must be given to these features; and

- (vii) the commercial undertakings in the public sector must be treated on the same basis as private undertakings; no special concession or advantage to the detriment of the worker being allowed merely by reason of the fact that an industry is financed wholly or in part by the Government.

8.1. I shall conclude this chapter by drawing attention to some special considerations which operate in the case of the employees of Air-India and which, therefore, must be kept in view in fixing their wage-structure at the different levels.

8.2. Article 38 of the Constitution directs the promotion of welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life. Article 39(a) draws attention to the right of citizens to an adequate means of livelihood and 39(b) directs that ownership and control of the material resources of the community are so distributed as best to subserve the common good. Article 43 aims at providing a living wage to all workers.

8.3. Article 39(b) has special significance when the case of public corporations and more especially of Air-India is considered. Air-India is a commercial profit-making enterprise controlled and managed by an autonomous Corporation. Its capital is provided entirely by Government. It provides transport to its nationals and to foreigners. It makes profits which form part of public revenues and it earns foreign exchange which is very necessary for the development of the country.

8.4. The profits do not go to fill private coffers or to increase the wealth of already rich industrialists. Air-India forms part of the national effort to increase the country's material resources and raise its international status and prestige. The narrative set out in Chapter III describes the contribution made by Air-India in the past and its future plans. If the profits are large and tend to increase, they will eventually add to the national revenues and improve the state of our foreign exchange reserves. Indeed, there is a compelling necessity to husband present resources, increase profits and expand the field of operations, for to stand still in the air transport business is to regress and be left behind. Even to keep in the same place, the Corporation must, in the words of Lewis Carroll's Queen do all the running it can and to make any progress it must run at least twice as fast. Making more profits by the Corporation means earning more foreign exchange, and if these profits are ploughed back to earn larger profits in future, the Corporation will be making an invaluable contribution to the country's plans for economic progress. There is nothing shameful or degrading in an employee of Air-India drawing a smaller salary than the employee of a foreign airline belonging to a country where the measure of affluence not only permits but demands a higher salary. The case of the employees of the Reserve Bank of India is, to a large extent, similar to the case of the workmen of Air-India. But since the air transport industry is intensely competitive, those employees who come into contact with their corresponding members in other airlines, e.g. flight crew and the personnel stationed abroad, can be compensated by means of special and extraordinary allowances in the same way as our diplomats serving or posted abroad are paid special allowances. Government servants are, on the whole, content to work for smaller wages

than those which obtain in commercial establishments. The case of Air-India which is a profit-earning undertaking in the public sector, is not on all fours with the case of Government servants but it does bear some analogy to it in as much as the profits are not being made by a private undertaking and there is an obligation on everyone working in the Corporation to make a contribution towards the national effort.

8.5. Air-India and Indian Airlines Corporation, have, between them, a monopoly of the air transport business in India and no comparison with other concerns doing the same sort of business is possible. Its wage-structure, especially in so far as it relates to technical personnel, must be considered and assessed in isolation. There is no doubt that Air-India competes with foreign international airlines, but this competition while it compels a high degree of efficiency and conditions its plans for expansion, does not reflect on the wage structure because living conditions in other countries are vastly different and in no way comparable. The wages of the employees of Air-India have to be determined in relation to and against the background of Indian economic conditions and the rates of pay obtaining in the case of workmen belonging to the same or similar (as far as similarity is possible) status and grade. For instance, a peon, a watchman or a kitchen-boy of Air-India, falling in the class of unskilled workers, cannot be equated with a peon or watchman or kitchen-boy in the employment of Pan American Airways or British Overseas Airways Corporation, but his wages can be compared with the wages paid to peons, watchmen or kitchen-boys by public or private concerns in India. Even a pilot or a flight engineer based in India needs less than his counterpart in Britain or America to maintain the same degree of efficiency in his work and the same standard of living. Pilots, flight engineers and flight navigators are not be found in any other industry. The aircraft maintenance engineers perform tasks which no other engineers in the country are called upon to undertake. Therefore, these workmen cannot be compared with any workmen in other industries or concerns. Certain guiding lines indicated by their educational qualifications, their innate talents, their training, their acquired skill and their usefulness to the Corporation, may be observable, but for the most part, the pay of the majority of skilled workers will have to be determined on considerations peculiar to service conditions under the Corporation. This is true, in a greater degree, of the higher and more skilled technical workers and has little or no relevance to the unskilled and semi-skilled workmen at the lower scales of pay.

8.6. The present position is that the lowest paid unskilled worker in Air-India gets a minimum salary of Rs. 138 per mensem (Rs. 162 after one year's service), rising by progressively increasing annual increments of Rs. 3, Rs. 4 and Rs. 5 to the figure of Rs. 216 per mensem after eleven years of service. This compares, no doubt, unfavourably with what obtains in many industrial concerns, more particularly in the private sector, but it connotes a measure of ease and affluence when compared with the lot of the lowest paid workers in several Government undertakings, e.g. the Atomic Energy Establishment, etc. to which I have already referred, for in these concerns, the corresponding salary is, as already stated, not more than Rs. 120.50 per mensem, while workmen doing similar work in the Maharashtra Government Secretariat, draw no more than Rs. 102 per mensem as minimum total emoluments.

8.7. With regard to the higher paid workmen in Air-India, the senior captains at the maximum grade now (under the latest agreement of July 26, 1965) draw a total salary of Rs. 4,400 per mensem inclusive of all allowances, the captains draw Rs. 3,217 per mensem. The salary of a High Court Judge is now Rs. 3,500 per mensem and that of a Supreme Court Judge, Rs. 4,000 per mensem, a Secretary to the Central Government draws, if he is a member of the Indian Civil Service and therefore protected by the provision of Article 314 of the Constitution, Rs. 4,000 per mensem and in other cases, Rs. 3,500 per mensem. In the United Kingdom, the salaries of High Court Judges and Permanent Secretaries to Government have been considerably increased in recent years, from £4,000 to £8,000 in the case of Judges and from £3,000 to £8,000 in the case of Permanent Secretaries to the Government. In India, the Government, in its wisdom, has actually reduced the higher salaries because of our economic conditions and the low level of our national income. In the circumstances, would the Government be justified, and would it be entitled to take the credit for consistent thinking and consistent acting if it permitted or gave countenance to maintaining a higher level of salaries in its commercial undertakings or in public corporations which are financed by it? If the best brains in Government establishments cannot be paid more than Rs. 3,500 per mensem because the country cannot afford to do so, does not the argument apply with equal force to the best workmen in a public corporation subject to the same economic conditions, financed by the same tax-payers who provide the funds out of which Judges and Secretaries are paid, and responsible for their efficiency and integrity to the same authority? To me, it seems not only financially unsound and unreasonable, but utterly inconsistent to make these invidious distinctions on the ground of economics, whatever other reasons, sound or unsound, may exist for making the discrimination. It has already been mentioned in Chapter III that the additional burden thrown on the finances of the Corporation by the agreement of July 26, 1965, with the Indian Pilots' Guild, amounts to Rs. 14,84,000 per annum. An additional burden has also been assumed under the agreement dated October 15, 1963, with the All-India Aircraft Engineers' Association and this burden has been calculated at Rs. 6,09,800 per annum. These agreements, however, have stimulated demands for better emoluments for other workmen, and the argument that no invidious distinctions should be made when distributing largess is unanswerable. So, it would be unjust to deny similar increases in salary to those workmen whose negotiating acumen has not brought success to them.

CHAPTER VI

(i) Jet Hazards.

(ii) Workload of Flight Navigators in Jet Aircraft

Before dealing with the individual matters set out in the Schedule to the Order of Reference and the various demands of the unions relating to these matters, it is necessary to dispose of two issues of general interest.

(i) The special hazards which are alleged to be a consequence of the introduction and operation of jet aircraft by the Corporation, and the dangers, hardships and difficulties complained of by the workmen of the Corporation and which must be compensated for by the payment of additional allowances.

(ii) An assessment of the additional workload and responsibility claimed to have been undertaken by flight navigators in jet aircraft, by reason of the fact that in a fast moving plane less time is available for performing the same amount of work than in a slow moving plane, and this telescoping of the time factor demands greater competence, more intense concentration, quicker thinking and prompter decisions. Related to this matter is the question of the comparative importance and status of flight engineers and flight navigators in the aircraft crew. A claim has been made on behalf of the Indian Flight Navigators' guild (Party No. 6) that the greater importance of a navigator's work in a jet aircraft entitles him to higher status and, therefore, greater remuneration than a flight engineer.

2. These two matters are, to a large extent, concerned with Item No. 11—Jet/Hazard Allowance for ground staff and Item No. 15—Jet Allowance (cabin attendants and flight crew), but I have chosen to discuss them first because they have a special significance in view of the fact that the Corporation now operates only jet aircraft, and also because they are of wider importance than the demands defined by the nomenclature of the two items.

(i) Jet Hazards

3. The contention of the workers briefly is that:

- (a) Jet propelled aircraft travels at a very fast speed, and rapid travel not only demands greater concentration of work necessitating more attention, more rapid performance of routine chores and duties but also imposes physical, psychological and emotional strains by upsetting the day-night and rest-work cycles consequent upon quick changes in clock timings. In travelling west, there is a feeling that time has stood still or is passing very slowly, while in travelling east a sense of time being lost disturbs the mental equilibrium.
- (b) The noise of a Jet engine has a damaging effect on both the body and the mind. High altitudes at which the jet aircraft flies expose the crew to the dangers of radioactive particles, while the ground staff who come into contact with the plane after its flight while cleaning or refuelling it, run the risk of contamination by radioactive dust. The exhaust fumes of a jet engine are particularly deleterious to health for the fuel used harbours its own dangers and contains irritants which injure the skin. And also there is a possibility of a worker being seriously injured by being sucked into the engine. Lastly the paints used on jet aircraft discharge noxious fumes.
- (c) The introduction of jet aircraft has increased the traffic handled by the Corporation and gradually augmented its profits. The workmen are entitled to claim a share in the progress and the prosperity of the undertaking.

4. I may quote a passage from paragraph 80 of the written statement filed by Party No. 3:

"The employees who work on jets have to face certain hazards. The jet aircraft when it reaches high altitude all its exposed parts get covered with radioactive dust. All the mechanics,

cleaners, leading hands, charge hands and examiners when they come in contact with those parts while the plane is on the ground get into contact with the radioactive dust which is injurious to health. The sound of the engine is so great that it affects ear drums and brain of the workmen who work on the plane. These workmen often get pain on the back of the head and neck. The exhaust dust which is discharged from the plane is also injurious to health. Particularly when the plane is reversed the exhaust dust from the engine is thrown forward and those who have to be very near have to inhale the fumes. The fluids used in the jet like *hydraulic etc. are also injurious to health. Even if a drop of such fluid falls on the skin, the skin irritates. In order to mitigate this hardship, the employees are provided with the gloves and ointment. The workmen have also to go into fuel tank very often for repair work. The fumes of the paraffin are always there in the tank which also affect the health of the persons when they come in contact with those fumes. Normally, after the draining out of the paraffin, the tank should be kept empty for at least 48 hours in order to rid it of the fumes completely. Since the plane cannot be made to wait for such a long time employees have to complete the repair in a short time after the tank is emptied. The paints which are used on the jet also discharge certain fumes while spray painting work is in progress, with the result that the workmen who are carrying out other jobs have to come in contact with the fumes which is discharged from the paint."

There is also a complaint that employees have to lift heavy equipment weighing more than 120 lbs. and those workmen who handle this equipment suffer from slipped discs. The workers who have to use step ladders of which the rungs are made from pipes suffer injuries because they have to support the whole of their weight on the middle portion of the foot.

5. On behalf of the All-India Aircraft Engineers' Association, it is alleged (paragraph 28 of the written statement filed by Party No. 5) that:

"The vibrations and noise of aircraft, part of which is ultrasonic has effected serious long lasting deterioration of the central nervous system, besides effecting a lasting loss of hearing, nausea, insomnia and a general deterioration in health. The servicing of Jet equipment has brought with it new hazards and the general deterioration of Aircraft Engineers health is the evident result of these. Besides the obvious hazards, the slow effects of constant high noise, vibration, etc., are now becoming clear to us."

6. These contentions are repelled by the Corporation and in paragraph 52 of their written statement it is said:

"The Management submit that all operations in which ground staff are involved, are equally hazardous or equally non-hazardous and it cannot be said that the hazard/danger, if any, can be eliminated by the payment of an allowance though

*Presumably this reference is to skydrol.

the element of hazard, if any, is adequately taken care of by the wage structure, provision of required safeguards and the application of safety procedures, which reduce the element of hazard involved, if any, to the minimum."

In paragraph 137 of its replication, the Corporation stated:

"It is common knowledge that the entire fleet of the Corporation consists of Jet aircraft and all the employees of the Corporation are involved, directly or indirectly, in the operation of such aircraft. As in evolving wage structure of the employees of the Corporation all the relevant factors, including job requirements, hazards involved in operation and/or dealing with hazardous equipments/situations have been taken into account, there is no case to pay any special allowance separately such as Jet Allowance as demanded."

In paragraph 143 of their replication, the Corporation stated that:

"Adequate safety measures have been taken in this regard and the necessary safety equipment and clothing are provided to minimise the element of occupational hazard, if any."

This paragraph also contains an assurance that:

"The Corporation is fully alive to the problem of safety requirements and has taken appropriate steps for a review of the safety measures from time to time."

In paragraph 145,

"The Corporation emphatically denies that the hazards imposed on personnel engaged in jet aircraft operations and maintenance have resulted in serious, long lasting deterioration of the central nervous system besides causing a lasting loss of hearing, nausea, insomnia and a general deterioration in health."

The Corporation also points out that the demand on this ground was dropped by Party No. 2 in 1960 when an award in terms of the agreement arrived at with them was made. The demand was also dropped by Party No. 5 in the agreement with the Corporation reached on October 15, 1965. The pilots did not make this demand at any stage.

7. It must be clearly understood that this demand is not based on the greater competence or skill required to man a jet aircraft, but arises out of some special dangers which are alleged to be occasioned by the operation of jet aircraft. Jet allowance is being paid to pilots but this has no reference to the special hazard allowance which is being claimed under Item No. 11.

8. With regard to jet allowance demanded by cabin attendants and other crew under Item No. 15, this is based on wholly different considerations, viz., the mental and physical disturbances caused by rapid changes of atmosphere and environment and not because of any special danger involved in jet travel.

9. The only evidence produced by the Unions in support of their demand consists of an extract from an article by Dr. Kempton Hare of the Medical Department of B.O.A.C. published in the Medical Press of December 14, 1960 (Vol. CCXLIV No. 6345). This is Exhibit U-II/40. In this

article the author draws attention to some occupational hazards of the airline industry. There are one or two references to the special hazards of jet aircraft and only these are relevant for our purposes. I give below the specific passages upon which reliance was placed by the learned counsel for the workmen:

"Kerosene: With the introduction of jet and turbojet aircraft gasolene has been largely replaced by Aviation kerosene, consequent on which attention has been focussed on the dermatitic hazard which may and does arise due to the handling of this compound. Contamination may be acute or chronic.

Acute contamination may occur in the course of the refuelling of aircraft, or by sudden spillage from the fuel tanks. In the event of a person's clothing becoming soaked in kerosene, facilities should be provided for immediate bathing or showering and replacement of contaminated clothing by clean dry kit. Instructions should be issued to ensure thorough washing off of the affected area and adequate soap and towels supplied.

Chronic contamination may result in a kerosene dermatitis, and is frequently due to careless handling which, once developed, is likely to flare up again on renewed contact as a result of a cumulative sensitivity. This may necessitate permanent removal from that specific task.

The use of surplus aviation kerosene for cleansing purpose is deprecated as there is strong evidence to suggest that it is potentially more dermatitic than paraffin.

Noise: As the numbers of jet and turbojet airliners in operational use increase, aircraft noise becomes an increasing problem. Sound pressure levels up to 120 decibels may be experienced which, apart from producing impairment of hearing, cause serious interference with communications, changes in individual behaviour, prolonged physiological effects, and an increased accident rate amongst employees.

An overall sound level greater than 85 db S.P.L. must be considered hazardous (Rosenblith Criteria) and necessitates the adoption of a hearing conservation programme. This entails an initial audiometric check coupled with a complete ear, nose and throat examination, noise exposure history and past history of ear trouble.

Audiometric rechecks should be carried out at periodic intervals in order to detect any early hearing loss and to enable preventive measures to be adopted. In view of the audiograms particular attention is devoted to the "Traumatic dip" or 'notch' which occurs round about 4,000 c/s and may well be the first sign of early acoustic trauma.

Engine noise is screened as far as practically possible by construction of blast walls and the use of engine mufflers. Employees are provided with ear defenders of the 'insert' or ear muff type, which will produce a noise attenuation of between 15—40 db depending on the type used and the noise frequency band experienced.

Radio activity: There is at present no evidence that contamination of high flying jet aircraft by radioactive fall-out is such as to present a significant hazard to ground personnel servicing the aircraft, provided they observe the ordinary rules of personal hygiene.

Periodic checks for radioactive contamination are now being carried out by the major world operators in order that any increase in contamination may be detected early, and prompt precautionary measures adopted, should it be proved necessary. These would entail regular washing of aircraft, safe disposal of waste, and close medical supervision of ground personnel."

Another matter dealt with by the writer of this article is the incidence of radar. He says that no cases of cataract have been reported due to exposure to radar beams.

10. On behalf of Party No. 2, another document U-II/39 was produced but this is merely a note prepared by someone on behalf of the Union and cannot be treated as a piece of evidence. It is probably based upon the article of Dr. Kempton Hare (U-II/40).

11. It will thus be seen that there is no evidence whatsoever of any radioactive hazard due to high altitude flying in jets. The danger arising from the handling of aviation kerosene can be avoided by exercising care and the usual precautions which, according to the Corporation, are already being observed. The only other inconvenience or hazard mentioned by Dr. Kempton Hare is one arising from the excessive noise of jet engines. This hazard too can be avoided by observing the precautions mentioned by him. Since all aircraft operated by the Corporation are jet-propelled, there is no special case made out for compensating jet hazards because attendance upon jet aircraft is the normal contractual and indispensable feature of service in the Corporation. In so far as service conditions in the Corporation differ from conditions in other industrial concerns because of the incidence of jet aircraft, compensation in this respect will have to be made when fixing the overall salary scales of workmen of the various grades. For instance, Aircraft Maintenance Engineers may be given an extra allowance, or their salary scales raised, not because they have to attend on jets but because the nature of the duties allotted to them involves a type of work which justifies the payment of higher wages than are paid to engineers in, say, the textile industry or the motor industry. The case of the flight crew is, however, different. They may be entitled to a special jet allowance not because of any dangers regarding which, as I have pointed out, there is no grievance whatever but because of the more concentrated work and greater attention which is required of them during flight periods. This matter will be considered when I come to discuss Item No. 15. At this stage, it is sufficient to observe that there is no justification for giving a special jet allowance to any workman who handles or attends to a jet aircraft. If jet aircraft were to form only a portion of the fleet operated by the Corporation, it might have been possible to argue that there should be a jet allowance on account of the extra work involved or the hazards suffered by those persons who exclusively attend to such aircraft on the ground. But since the Corporation operates only jet aircraft, no such distinction can be made and no case whatsoever has been made for a special allowance in order to compensate the alleged jet hazards. Even Party No. 5 who had made this demand with great vehemence dropped it at the time of

entering into an agreement with the Corporation. I do not feel called upon to say that the necessary precautions are not being taken by the Corporation in order to avoid possible injuries to its workmen from the various causes mentioned in Dr. Kempton Hare's article and I, therefore, do not consider it necessary to make any observations for the future guidance of the Corporation in this respect. I have no doubt that the Corporation will, in accordance with the available scientific knowledge, take steps to safeguard the health of its workmen.

(ii) Workload of Flight Navigators in Jet Aircraft.

12. The case for the Indian Flight Navigators' Guild is that with the introduction of jets, the importance of flight navigators has increased because a faster speed has imposed a heavier and intenser burden of work upon navigators who are responsible for keeping the pilot informed of the exact position of the aircraft and of advising him upon the route to be followed. On the other hand, it is contended on behalf of the Corporation that the faster speed has not increased the workload of the navigators, and with the advance in science and with the invention of more and better navigation aids both in the aircraft and on the ground, the navigators are gradually becoming redundant and some of the airlines have been dispensed with their services. The flight engineers have joined issue with the navigators and it was contended on their behalf that they (flight engineers) perform more important and more essential functions during the flight of a jet aircraft than are undertaken by the flight navigators. In this tripartite argument, therefore, the Corporation and the flight engineers (Party No. 7) are ranged on one side and the navigators on the other. Both parties have produced oral as well documentary evidence in support of their respective claims. I shall first consider the oral evidence which consists of the statements made by Mr. L. B. Bhatia, President of the Indian Flight Navigators' Guild on behalf of Party No. 6 and of Captain S. C. Maulik, Chief Pilot of Air-India on behalf of the Corporation. Each of these witnesses put in written affidavits and was later examined orally. Both were also cross-examined by the other party in turn.

13. Mr. Bhatia has considerable flying experience on Boeings. He stated that he has 10,000 hours of flying experience and is, therefore, able to speak of this matter from personal knowledge. The burden of his statement is that the flight navigator's functions on a jet aircraft are extremely important. He is a highly responsible officer. He has to report at the airport an hour and 15 minutes before the scheduled time of departure. He makes the flight plan or checks it if it has already been made by the Flight Despatch Section at the airport. He supplies the meteorological forecast to the commander and, in flight, he navigates the aircraft according to the flight plan or according to a revised plan prepared by him in compliance with instructions received from the ground controllers. This last is the more difficult task because the aircraft may be displaced by as much as 50 miles off its intended track in the space of a few minutes. He has to "fix" his position every half hour, and since wind and temperature conditions vary with altitude, he has to take these factors into consideration when advising the commander on the track to be followed. On certain routes, there are several aircraft flying at the same time, and last minute changes may be necessitated by this overcrowding. In Air-India particularly, his functions are more important because Air-India has not so far installed some of the navigation equipment which other airlines have. This equipment consists of the Doppler or the Inertial

Navigator. Mr. Bhatia further says in his affidavit that a diversion on the New York route is sometimes necessary because the Kennedy Airport becomes fog-bound or snow-bound.

14. During his oral examination, Mr. Bhatia had to modify this contention to some extent. He admitted that there are three or four lines who no longer carry navigators as part of the flight crew. In the navigator's place, a third pilot who has received navigational training is appointed. He admitted that flight plans are nearly always prepared by the Flight Despatch Section at the airport and the navigator's job is merely to check this plan, and although in the past the navigator was required to make a flight plan, this is not a normal feature of his service now. The commander also checks the plan and, therefore, the navigator is not doing any more than the commander so far as the checking of the plan is concerned. He admitted that on the domestic flights, a navigator did not form part of the flight crew. When questioned about the Doppler, he admitted that this instrument gives the continuous drift and the ground speed, but it was only a supplementary aid and could not take the place of the navigator. The Doppler does make the navigator's work easier but it does not make him redundant. In the United States, flight navigators are not employed on domestic flights although these flights may be on routes 3,000 or 4,000 miles long. Under rules framed by the Director-General, Civil Aviation, who is responsible for the safety and security of aircraft and its passengers, an aircraft can be flown without a navigator. The witness was questioned about the Middle East—London route and he stated that the navigation work on this route was done by the navigator. He admitted, however, that for about a quarter or half of the sector, there was no work for the navigator, and ground aids lessened his workload.

15. With regard to the preparation of flight plan, he admitted that during the last two years he had had no occasion to prepare a flight plan himself. The Doppler is normally fixed on the pilot's panel and, therefore, it is the commander who receives information from it and operates it. The T.W.A. and Alitalia do not carry navigators and the B.O.A.C. is gradually dispensing with the services of their navigators and paying them off.

16. With regard to the preparation of new flight plan, owing to last minute changes, the witness stated that the flight commander himself did this on the domestic routes, but he went on to say that Madras and Karachi could not be compared with New York as the greater familiarity of the pilots operating on internal routes with local geographical features enabled them to adjust their track if any change became necessary. On the Beirut-London route, no navigator was necessary because there were ample ground aids which were used to "fix" the position of the aircraft. He admitted that when the navigators struck work on May 1, 1964, the Director-General, Civil Aviation, gave permission to Air-India to operate their flights without navigators. Mr. Bhatia suggested that the crash of the Alitalia aircraft near Bombay on July 6, 1962, could have been avoided had there been a navigator on board. But, a reference to the report shows that this inference cannot be drawn. At the time of the crash, the commander was in complete control and at that final stage he would not, normally, have called upon the assistance of the navigator had there been one among the crew. There were two other reasons, viz., the infringement of the prescribed minimum while approaching the airport and the unfamiliarity of the pilot with the terrain of the route. Since in all aircraft it is the pilot who takes complete control at the last stage when

landing, it cannot be said that the navigator could have rendered any assistance to the Alitalia commander at that particular juncture. The findings of the Court of Enquiry do not support the contention of Mr. Bhatia.

17. Captain Maulik in his affidavit stated that the flight plan is always prepared by the Flight Despatch Section of Air-India and all other airlines for each flight, and in 99 per cent. of the cases, flights are operated according to the flight plans which are ready and previously prepared by the Flight Despatch Section at the airport. Indeed, when the navigator and the commander arrive at the airport, the brief-case of each officer, containing all necessary papers, is ready, and all that these officers (commander and navigator) have to do is to check the documents. The commander then flies the aircraft according to this plan. On internal routes, Captain Maulik says, the navigator has been completely dispensed with. On European routes, ground aids are provided and they have reduced the functions of navigators to practically nothing. Most American airlines and European operators have dispensed with navigators. In a jet plane drift angles are reduced, and navigators are now only helpful on long ocean or desert routes.

18. With regard to Kennedy Airport at New York becoming fog/or snow-bound, Captain Maulik said that alternative landing airports have already been prescribed and there is never any occasion or necessity for the navigator to prepare a last minute alternative flight plan in a rush. In his oral examination, Captain Maulik, who is the Chief Pilot of Air-India and a person of considerable experience, stated that he had flown the London-New York route for a period of 2½ years. He had never had occasion to make a diversion. He had some experience of Dopplers which, according to him, are fixed on the pilot's panel. He said it is the pilot who uses this instrument, and this makes the work of the navigator redundant. He further stated that on all European routes which do not involve an ocean crossing of more than 600 miles, navigators were now not necessary.

19. With regard to the Air-India routes, he stated that for Cairo-Bombay, Delhi-Moscow, Delhi-Beirut, Beirut-London, Bombay-Hong Kong, and Singapore-Jakarta, no navigator was necessary. When questioned about the Alitalia crash, he said that there was no suggestion in the report of the Court of Enquiry that the accident might not have occurred, had there been a navigator on board. He said:

"This accident occurred in the final stages of approach and landing and the navigator's job ends when the aircraft reaches the destination within the approach area. The final navigation to the runway is the pilot's sole responsibility."

Captain Maulik stated that the installation of the Distance Measuring Equipment (DME) had facilitated the problem of navigation to a very large extent and if DME stations were placed every 300 miles, the navigator would become redundant. Let me quote from his statement:

"It (DME) helps the pilot to fly airways very accurately. If his position all over areas is placed at 200 miles and if it is 300 miles all along the airways, the pilot knows his position accurately. Then if it is placed at the interval of 300 miles over land areas, then a pilot can fly accurately over these, knowing every moment his position without the aid of a navigator. The navigator really becomes unnecessary on these planes."

He also stated that on the Atlantic, there are 9 ships or ocean stations which give information about the weather and also the position of the aircraft. Whatever route is followed, at least two of these ocean stations are encountered on the way, and so, fixing his position, is an easy matter for the commander. The ground aids, the witness said, are constantly improving and the difficulty of fixing VORs (Visual Omni-Range) which require a stable base on ships, was being overcome. The witness was cross-examined about a certain incident which occurred a few months before he appeared in the witness box. I quote below an extract from his statement:

Question: Do you remember one thing, about 2-3 months back, may be a little more, your flight was diverted from Hong Kong to Manila. What happened? Who helped you?

Witness: Over ocean crossing the navigator helps the pilot. In this case, the navigator helped me to Manila.

Question: And you commended him?

Witness: Yes. His work was excellent.

Question: In that flight you went to Tokyo?

Witness: Yes.

Question: Who prepared the flight plan?

Witness: The navigator. It should have been by the Flight Despatch Section of the Phillippine Airlines but he did not turn up and it was getting late. The navigator helped us and we departed more or less as desired."

20. It is, therefore, clear from the evidence of these two witnesses that there is no basis for the navigators' claim that their importance has increased with the introduction of jets. On the other hand, it is necessary, for the present, for navigators to be retained by Air-India because so far instrumental navigation aids have not been installed on all the aircraft. Mr. Vimadlal in the course of his arguments made a statement at the Bar that Air-India proposed installing the Doppler or the Inertial Navigator on all aircraft in the very near future. We are, however, not concerned so much with the future as the present and it is admitted by Captain Maulik that navigators are still being recruited and some persons were recently interviewed for the post of flight navigators. For the present, navigators are necessary and will be retained by Air-India.

21. The documentary evidence produced by the parties consists of a number of reports, opinions expressed by experts, articles published in magazines dealing with aeronautical matters etc. The most important and perhaps the most reliable of these are some papers and reports placed before the 16th Technical Conference of the International Air Transport Association held at Miami in April, 1965. I shall deal with these first.

(i) A paper presented by the Qantas Empire Airways on the efficiency of Doppler as a navigation aid (U-W/1). The conclusion arrived at after a number of tests was stated in paragraph 5 of the paper which is as follows:

"Although Doppler did not fulfil our desires, its merits were recognised and Doppler was introduced to our new Sydney/

London *via* Mexico route in November, 1964 to provide assistance to the navigation officers over the long *daylight* crossing from Tahiti to Mexico. This additional aid was deemed necessary because of the limited assistance available from astro-navigation, the paucity of en route surface aids and the uncertainty of meteorological forecasting."

The Qantas, it may be said, have not yet dispensed with the services of the flight navigators.

(ii) A survey of inertial navigation mechanizations presented by the United States Air Force Navigation and Guidance Division (U-W/2). In this paper, the use of the electrically supported gyro (ESG) was discussed. The scope of the paper is described as follows:

"A new unconventional inertial navigation system has been under development within the Air Force during the past two years as part of a continuing effort to develop better automatic navigators to meet the anticipated needs of future manned aircraft. This system has as its heart, the electrically supported gyro (ESG), a component whose design and development spans the last decade.

This paper reviews the principles of operation, advantages, and problems associated with conventional inertial and hybrid systems within the Air Force...."

The conclusion reached is stated at page 40.

"The ESG is not only extremely accurate, but inherently reliable, and easily maintained."

In the course of the paper, it was observed that to make the instrument truly reliable, greater cost would have to be incurred and that if the complexity of the ESG system were reduced, it would be excellent for less stringent accuracy requirements. Nothing was said about the question of dispensing with the navigators because the Air Force normally does not have a flight navigator on board the aircraft. The requirements of the civil aviation are clearly different from those of the Air Force.

(iii) A paper presented by the KLM on the assessment of the accuracy of the Doppler navigation aid. (U-W/5). The results are stated in a graph which shows that the Doppler accuracy is satisfactory and if Doppler card corrections are made, then the task of navigation becomes easier and more accurate.

(iv) A paper presented by David J. Sheftel and Sidney Hirshon of the Systems Research and Development Service, Federal Aviation Agency. (U-W/6). In this paper, an assessment of the inertial navigation steering system was made by the Federal Aviation Agency. A summary of the conclusions reached is to be found at page 7:

"Pan Am. operated the equipment on board a DC-8 jetliner during normal passenger schedules and used skilled observers to record the inertial system performance. The inertial system demonstrated feasibility for use as a long distance navigation aid. The majority of flights were performed over the North Atlantic routes."

(v) A paper presented by the United Air Lines containing an assessment of the Doppler (U-W/7).

The conclusion was stated as follows at page 4:

"It was also clear from the evaluation programme that cockpit navigation by means of Doppler computer updated by Loran will not eliminate the long distance navigation function *per se*, since most of the detail of this function must be assumed by the pilot. The navigation function must still be based on the best information available tempered by good judgment if the same level of desired ATS and operational objectives are to be achieved."

(vi) A paper presented by David J. Sheftel of the Systems Research and Development Service, Federal Aviation Agency, on the assessment of the Doppler as a navigation aid. (U-W/8). The data were collected in the first phase from the operations of the Trans World Airlines, and the information furnished by them formed the basis for assessing the navigation accuracies of Doppler navigation equipment. In the second phase, thirteen other airlines participated. The results of both the phases, deduced from the operation of fourteen airlines, are stated in this paper. The relevant information is to be found in Table V at page 13 which gives a statement of the possible errors in navigation arising from Doppler installation. These errors are by no means considerable and errors equal to and larger than 40 Nautical Miles occurred only in 3.3 per cent. of the cases. With the help of the Doppler, the error occurred in 10 per cent. of the cases and without the Doppler in 90 per cent. of the cases. This paper shows, therefore, that the Doppler is a reliable navigation aid.

(vii) U-W/9 is a note prepared by the Divisional Operations Manager of Air-India on the Distance Measuring Equipment (DME). It explains that the Distance Measuring Equipment measures the distance directly from the airplane to the ground DME facility and the accuracy of light-weight equipment designed for the general aviation market is claimed by the manufacturers to be within plus or minus one-half mile or 3 per cent. of the actual distance whichever is greater. The maximum effective range of DME is about 100 miles from the station, and the higher the altitude, the greater the effective range.

22. I need not discuss the rest of the documentary evidence in detail as it does not add to what is contained in the evidence discussed above. Broadly speaking, the conclusions are that on land where ground DME Stations are available at suitable distances of between 200 and 300 miles, the navigator can be completely dispensed with because the pilot himself can take his "fix" or determine his position without the assistance of a flight navigator. On long ocean flights or flights over deserts where no ground DME Stations are available, it is still useful to have a flight navigator. But, with the advance of science, improved instruments are being invented and on the Atlantic, there are now nine Ocean Stations which give information of position and weather to flying aircraft. Whichever one of the recognised routes is followed by an aircraft over the Atlantic, two such Ocean Stations are always available. At the present juncture, Air-India do not propose to discharge their navigators and for some time to come, they will be carried as members of the flight crew. But it is clear that the claim of the navigators that the operation of jets has increased their task and added to their importance, has not

been substantiated by the evidence produced before me. It cannot be said that navigators are indispensable. Some of the airlines have already dispensed with them and are utilising the services of a third pilot who has been trained in the science of navigation. Mr. Vimadlal stated that this is what will happen in Air-India also. My conclusion, therefore, is that the flight navigators are certainly not more important now than they were before. In future, they may become less important or even redundant.

23. The only other point which remains to be considered is the relative ranking of navigators and flight engineers. According to Establishment Orders, the seniority of the Commander, First Officer, Navigator and Flight Engineer, is in the following order:

- (i) Senior Captains or Commanders. They are listed at No. 33.
- (ii) Two positions junior to them are placed Captains and First Officers at No. 31.
- (iii) Chief Navigators and Navigators are closed at No. 29.
- (iv) Three places below First Officer and one place below Navigator, at No. 28 are placed the Chief Flight Engineer, Assistant Chief Flight Engineer and Flight Engineer.

24. It must be stated at once that the question of ranking Flight Navigators and Flight Engineers *inter se* has not been referred for my decision as such. This matter arises only indirectly in relation to the wage-scales of the Flight Navigators and of Flight Engineers. The Flight Engineers have made a representation that their scale must be upgraded because of the added workload, better skill and engineering knowledge required of them since the introduction and operation of jet aircraft. In arguing their case, their counsel sought strength from the consideration that the function of flight navigators had become much less important than before and comparatively speaking flight engineers were more important. Therefore, so it was argued, the flight engineers must be upgraded and placed above flight navigators in the matter of their salaries. The position of the Corporation is that the management is quite agreeable to equating the flight navigators and flight engineers until such time as the flight navigators become redundant and are dispensed with.

25. The flight engineers have drawn my attention to the change in their functions since the jets were introduced. It was pointed out, that before World War II, there were no four-engined aircraft in civil aviation. After the war, four-engined aircraft came into use and some of them were designed to operate with a flight engineer as member of the crew and some without. Flight navigators formed part of the crew as a matter of course. The DC-6 was designed to fly without a flight engineer and was operated by two pilots only. In 1947, there was a series of fatal accidents involving DC-6 and the Civil Aeronautics Board of the United States of America issued a regulation requiring a flight engineer to be on an aircraft whose gross weight exceeded 80,000 lbs. The reasons given by the Board are relevant to the argument of the counsel on behalf of the flight engineers (Party No. 7) and I quote them in full from the document, Exhibit U-VII/1:

"The Board's reasons and grounds for its conclusions are as set forth hereafter. There are only three aircraft types now being produced, or expected to be produced in the foreseeable

future, which are in the class of four-engine aircraft certificated for maximum take-off weight in excess of 80,000 pounds. These are the Lockheed Constellation. The Douglas DC-6, and the Boeing 377. Despite the automatic devices which are available and installed in such aircraft, they have so many items calling for the Pilots attention and are so complex in operation that the Pilots' ability to accomplish all duties imposed upon them may at times be exceeded, if provision is not made for a Flight Engineer. The Flight Engineer will contribute substantially to reduction of Pilot fatigue and resultant accident provoking sequences. In particular, the Flight Engineer can relieve the Pilot of burdensome mechanical duties which, if required to be performed when the aircraft is being flown on instruments; when there are difficult navigational problems, when radio communications are erratic, or when the Pilots are attempting to follow complicated traffic control procedures, and accomplish instrument approaches, would be exceptionally onerous. The Flight Engineer is able to perform important duties and add to safety of flight, even when riding in the jump seat of a plane in which no Flight Engineer station has been provided.

In addition to the foregoing, the Flight Engineer with a specialized engineer training will be useful in case of fire or other malfunctioning, both in overcoming the difficulty and restoring normal functioning, and in relieving the Pilots of various mechanical duties, particularly those which would require one of them to leave his Pilot's station, while they concentrate on flying the aircraft during any period of emergency. The Flight Engineer will also contribute to the level of safety by assuming responsibility for proper completion of ground maintenance for the correction of any malfunctioning which has been discovered in flight."

26. Since then, all aircraft whose gross weight exceeded 80,000 lbs. have carried a Flight Engineer as a member of the crew. This was a safety measure which has now been accepted universally. In fact, the Certificate of Airworthiness issued to Boeing aircraft requires that there should be a minimum of three crew consisting of two pilots and one flight engineer.

27. The Civil Aeronautics Board of the United States of America made a review of the safety factor in reference to Jet Transport Cockpit. The question was whether the cockpit should be designed for two stations meant for two pilots or three stations meant for two pilots and a flight engineer. The Board was thus reviewing two matters:

- (i) the configuration of the cockpit and possible alteration in future designs; and
- (ii) the size of the crew and the duties of its members.

28. The Board reviewed the practice prevailing in military aircraft and noted that military jets fly with a 2-men crew but since they are equipped with advanced system automation, a 2-men crew was sufficient. This was, however, not possible in civil aircraft because the lengthy pre-flight checks in military aircraft were incompatible with short turn rounds of civil aircraft. So, civil aircraft had to have a 3-men crew—two pilots and a flight engineer. The flight engineer, the Board noted,

had been made necessary by the 80,000-pound rule mentioned above. This rule, however, though it influenced the design of the cockpit, was not the deciding factor because it was felt that in civil aircraft, three men were anyhow necessary to provide passenger comfort and as a measure of safety (heat, pressurisation, etc.), the high density of terminal areas and the relatively greater number of take-offs and landings.

29. The Board considered the possibility of having a 2-men crew to fly jet aircraft. It came to the conclusion that in its present design this was not possible. But, if it were decided to have only a 2-men crew, then certain alterations would have to be made and the flight would be quite feasible, if 80,000-pound rule were also abrogated. Pilots and flight engineers were consulted from this viewpoint and they suggested certain alterations in the design and said that if these alterations were made, it would be possible to fly the jet aircraft with a 2-men crew with its cockpit having two stations only for two pilots.

30. The review further pointed out that originally some of the aircraft also had a radio engineer and a flight engineer as members of the crew. The Board considered the necessity of these men also and pointed out that no domestic flights, flight navigator and radio engineer had already been dispensed with. The Board noted that the introduction of advanced navigation equipment reduced the necessity for a navigator on routes that previously required one. The Board, therefore, left to the Administrator to determine the necessity of carrying a flight radio operator and a flight navigator and pointed out that most of the carriers had only three members of the crew viz., two pilots and a flight engineer or three pilots of whom one held a valid Flight Navigator's Certificate.

31. The learned counsel for flight engineers next went on to demonstrate the importance of flight engineers by producing a summary of the flight experience, qualifications and training required of flight engineers (U-VII-2) and a statement of flight engineer's duties, responsibilities and functions (U-VII-3). I need not discuss these documents in detail because it is not disputed that the flight engineers's duties are manifold and important. The flight engineer has to make certain checks both before and after the flight, and during the flight, he has to attend to a number of important functions. It is quite clear to me that on board, a flight engineer is more important than a flight navigator. The flight engineer's duties are related to the degree of sophistication of the aircraft to which he attends. The more advanced and complex the operation of the aircraft, the more complex and arduous and therefore necessary his duties become. A navigator's task, however, is not in any way different in its nature whatever aircraft he may fly. Indeed, in a jet aircraft, because of its higher speed, it is necessary to have navigation aids, and these, if anything, decrease the burden of the navigator's duties. On some routes, he is not necessary at all. The flight engineer is, however, necessary on all routes, short or long, over the land or over the sea. This matter was pointed out by the Civil Aeronautics Board, U.S.A. in the passage quoted above.

32. A few other documents viz., Exhibits U-VII/4, U-VII/6 and U-VII/7, were relied upon and these documents contain a list of the multifarious duties of the flight engineers. I have already stated that some airlines have dispensed with the flight navigators and Air-India does not employ navigators on internal flights. The story of the strike

notice given by the flight navigators and the permission granted by the Director-General of Civil Aviation to fly Air-India aircraft without navigators, has already been narrated. From this mass of evidence, it was sought to be argued that flight engineers are far more important and far better qualified than flight navigators, and therefore, their salary scale should be raised even higher than the scale of navigators.

33. On the other hand, it was argued on behalf of the navigators that they have always occupied a position superior to that of the flight engineers and that there is no reason why this difference should be bridged or the flight engineers placed above them. My attention was drawn to the Report of the Air Transport Enquiry Committee presided over by Mr. Justice Rajadhyaksha, in 1950. The Committee recommended that the navigator's maximum salary should be raised to Rs. 1,750 per mensem and that of flight engineer's to Rs. 1,000 per mensem. The flight navigators were, therefore, considered more important and deserving of higher salary than the flight engineers. This report was, however, made in 1950 when there were no jets in operation and when the flight navigator's functions were more important than the functions of the flight engineers.

34. For the same reason, another document, the Report of the Services Committee of the Indian Airlines Corporation, in 1954, is not strictly relevant to the issue before me. That report was also made before the introduction of jets and in those days, navigators were considered more important than flight engineers. The grades recommended by the Committee were, Rs. 550-40-750 for flight engineers and Rs. 750-50-1050 for flight navigators. Before 1960, flight navigators were treated better than the flight engineers. At that time, the navigator started with a salary of Rs. 950 and went upto Rs. 1,250. A flight engineer's minimum salary was Rs. 450 and his maximum salary was Rs. 1,000. After 1960, the gap closed a little. Presently, the navigator's scale is Rs. 950-1450 and the flight engineer's scale is Rs. 750-1300. Adding allowances etc., a navigator receives a minimum of Rs. 1,770 and a maximum of Rs. 2,320 while a flight engineer receives a minimum of Rs. 1,545 and a maximum of Rs. 2,155. The Management of Air-India is now willing to equate navigators and flight engineers, and this obviously means the raising of the flight engineer's salary. for in the present proceedings there can be no question of decreasing the navigator's salary. While I am on this point, I may mention that Mr. Vimadalal, on behalf of Air-India, argued that although the salaries of the present navigators cannot be reduced, this Tribunal should make an observation that the Management is at liberty to recruit new navigators at a lower starting salary of Rs. 750. On this point, I can make no observation whatsoever because the matter is beyond my jurisdiction.

35. On behalf of the navigators, a statement U-VI/22, containing a Pay Survey of Navigators in the various International Airlines during the year 1965, was produced. This document, however, cannot be relied upon as material for determining the relative importance of navigators and flight engineers. The data upon which it is based has not been produced before me in full and there is no indication as to whether the salaries are basic salaries or represent total emoluments including allowances etc. Also, the salary of a flight engineer does not find mention in this statement and so a comparison between the emoluments of flight engineers and flight navigators is not possible.

36. The statement, U-VI/24 which contains a list of the airlines in which the navigator is ranked higher than the flight engineer, is somewhat ambiguous because it is not indicated whether the navigator is the specialist navigator or the pilot navigator who obviously ranks above the flight engineer because of his special qualification as a pilot.

37. U-VI/25, is a statement showing the airlines in which the specialist navigator draws a higher salary than a flight engineers. On the other hand, the flight engineers have produced a document, U-VII/8A containing a list of the airlines in which the flight engineer is paid more than a flight navigator. There are some airlines, e.g. The Japanese and the Qantas in which the flight engineers and the flight navigators are paid the same salary. It will be seen that where there have been recent revisions of pay based either on agreement or adjudication, the flight engineers have been upgraded, and this is an indication of the trend in recognising the greater importance of flight engineers on jet aircraft.

38. After considering all the evidence produced in the case and the points raised in the course of arguments, I have come to the conclusion that the flight engineer is a more important member of the crew than the flight navigator in the modern jet aircraft. The flight engineer has to have knowledge of the engine and its working and he has to conduct certain checks which are extremely important from the safety point of view before and also after the flight. This matter has been sufficiently discussed already. On the other hand, the navigator's task is no more than what it used to be before *viz.*, determining his "position" during the course of a flight. In this, he is better assisted than before because of improved navigation aids e.g. Distance Measuring Equipment (DME), Doppler and Intertial Navigator. The Doppler is fixed on the pilot's panel and the pilot himself can operate it. Over a considerable mileage of the route, ground aids give the requisite information regarding the position of the aircraft, and as scientific research and invention continues, specialist navigators are becoming less important and even redundant. Indeed, in some of the airlines they have been done away with and their duties are performed by an extra pilot who has been navigation-oriented. An officer who can perform both functions is more useful, because a third pilot can relieve the burden of the commander and first officer and also do the work of a navigator. The flight engineer, on the other hand, is indispensable and his duties cannot be taken over by the pilot without straining his capacities beyond the safety measure. There is, therefore, an unanswerable case for upgrading the flight engineers. It seems to me that having regard to all the circumstances of the case, their salaries should be equated with the salaries of the navigators as is being done in some of the airlines, not because I find any equation between the duties or ranks of the navigators and flight engineers *inter se*, but because I feel that a flight engineer should rank below the first officer and since the flight navigator at present ranks below him and his rank cannot be reduced, a flight engineer will be placed in the same scale and rank as a flight navigator.

CHAPTER VII

Matters in Dispute and discussion of Demands

The matters in dispute set out in the Schedule to the Order of Reference may now be taken up for consideration in detail. It will be convenient to discuss the various items group-wise rather than *seriatim* as

the argument will be less prone to become disjointed and discursive. Council for parties suggested this mode of treatment for the purpose of arguing their respective cases and I propose to adopt the same course while dealing with them in my award.

GROUP I

PAY AND ALLOWANCES

2. Group I comprises the following 28 items :

(i) Item No. 1	. . . . .	Scales and grades of pay.
(ii) Item No. 3	. . . . .	4-weekly rates of payment of grade pay.
(iii) Item No. 4	. . . . .	Dearness allowance.
(iv) Item No. 5	. . . . .	House rent allowance/conditions governing allotment of accommodation.
(v) Item No. 6	. . . . .	Duty allowance.
(vi) Item No. 7	. . . . .	Machine allowance.
(vii) Item No. 8	. . . . .	Transport/car/conveyance allowance.
(viii) Item No. 11	. . . . .	Jet/hazard allowance for ground staff.
(ix) Item No. 13	. . . . .	Licence allowance.
(x) Item No. 14	. . . . .	Heavy duty vehicle allowance.
(xi) Item No. 15	. . . . .	Jet allowance (cabin attendants and flight crew).
(xii) Item No. 16	. . . . .	Overseas operations allowance.
(xiii) Item No. 19	. . . . .	Efficiency bonus.
(xiv) Item No. 28	. . . . .	Washing allowance.
(xv) Item No. 33	. . . . .	Senior Check Pursers' Instructional allowance.
(xvi) Item No. 36	. . . . .	Children allowance.
(xvii) Item No. 37	. . . . .	Driving allowance.
(xviii) Item No. 41	. . . . .	Command pay (Senior Captains).
(xix) Item No. 42	. . . . .	2nd Class Navigators' licence allowance.
(xx) Item No. 43	. . . . .	Radio/Telephone allowance.
(xxi) Item No. 44	. . . . .	Check Pilots allowance.
(xxii) Item No. 48	. . . . .	Flight Engineer Instructors' allowance.
(xxiii) Item No. 49	. . . . .	Check allowance for check flight engineers.
(xxiv) Item No. 50	. . . . .	Salary for cadet flight engineers.
(xxv) Item No. 51	. . . . .	Special travelling allowance.
(xxvi) Item No. 52	. . . . .	Emoluments of Check Navigators.
(xxvii) Item No. 53	. . . . .	Endorsement allowance (Aircraft Maintenance Engineers).
(xxviii) Item No. 55	. . . . .	Secondary increments.

I shall first deal with Item 1—Scales and grades of pay and Item 4—Dearness allowance, which are at once the most important and the most difficult matters falling for my adjudication. The demands made by the various parties under these two heads are very far reaching and they have engaged my most anxious and careful consideration. I have been at pains to study the existing position, the present requirements of the workmen as affected by the rise in prices since the prevailing pay scales were fixed in 1960 and the financial capacity of the Corporation. I have endeavoured to examine the demands of the workmen in the various grades of pay and relate these demands to their genuine needs, their desire to share in what has been called the progress and prosperity of the Corporation, and also to the economy of the country from which

the economy of the Corporation cannot be divorced if a realistic image of the industry's future is to be evoked. The present position is stated in Appendices A & B of the Air-India Employees' Service Regulations. Appendix 'A' sets out the various salaries, scales and grades while Appendix 'B' is the statement of the dearness allowance payable at the various stages of the basic pay.

3. The salary scale are as follows:

Grade No.	Pay Scale	Designation
1.	Rs. 50—3—59—4—75—5—90	Assistant Cook Canteen Vendor Chowkidar Watchman Cleaner Female Worker (Canteen) Gardener Helper Handyman Kitchen Boy Loader Peon Sweeper.
2.	Rs. 70—5—100—10—120	Cook Heads of Employees in Grade (1) above.
3.	Rs. 90—5—100—10—150	Dresser Driver Head Cook Loading Supervisor Printers' Assistant.
4.	Rs. 90—5—100—10—150—15—240	Junior Canteen Assistant Junior Catering Assistant Junior Cargo Assistant Junior Clerk Junior Compounder Junior Comptist Junior Mails Assistant Junior Puncher Junior Telephone Operator Junior Teleprinter Operator Junior Time Keeper Junior Traffic Assistant Tracer Typist Typist/Clerk.
5.	Rs. 100—10—150—15—195—20—255	Junior Printer Junior Progress Clerk Junior Storekeeper.
6.	Rs. 120—10—150—15—225	Senior/Head Driver.
7.	Rs. 140—10—170—15—215—20—295	Yard Supervisor.
8.(a)	Rs. 120—10—140—15—215—20—315—EB—20—375.	Mukadam Carpenter Tailor Mason Plumber Mechanic (Cabin Service).

Grade No.	Pay Scale	Designation
8. (b)	Rs. 155—15—215—20—375	Electrician (Plant) Bench Fitters (Plant Stores) Mechanics (Plant, Air-Conditioning and Teleprinter). Turners Non-licensed Welders Machinist Miller Painter (Plant, Transport and Stores Tinsmith (Plant and Transport) Blacksmith.
9.	Rs. 140—10—150—15—225—20—365	Briefing Assistant Junior Artist Ramp Supervisor Senior Catering Assistant Senior Cargo Assistant Senior Clerk Senior Clearing Clerk Senior Compounder Senior Comptist Junior Livestock Attendant Junior Security Assistant Senior Mails Assistant Senior Telephone Operator Senior Teleprinter Operator Senior Puncher Senior Time Keeper Senior Traffic Assistant Stock Verifier Supervisor-cum-Clerk Transport Assistant.
10.	Rs. 150—15—225—20—365	Senior Progress Clerk.
11.	Rs. 150—15—225—20—385	Senior Printer Senior Storekeeper.
12.	Rs. 140—10—150—15—225—20—405	Stenographer.
13.	Rs. 165—15—225—20—345—25—395	Cashier Draughtsman.
14.	Rs. 180—15—225—20—345—25—420	Asst. Cabin Supervisor Asst. Transport Supervisor Senior Canteen Assistant Senior Livestock Attendant Chief Catering Assistant Chief Cargo Assistant Chief Customs Clerk Chief Grain Shop Clerk Chief Printer Chief Telephone Operator Chief Teleprinter Operator Chief Traffic Assistant Librarian Office Assistant Section Storekeeper Senior Security Assistant Technical Assistant.

Grade No.	Pay Scale	Designation
15.	..	..
16.	Rs. 260—20—340	Receptionist.
17.	Rs. 195—15—225—20—305—25—430	Leading Hand Teleprinter Technicians Radio Technician Gr. I. Works Supervisor Welders with 2 licences.
18.	Rs. 250—25—400	Assistant Flight Purser.
19.	..	..
20.	Rs. 275—25—550	Assistant Artist Assistant Security Officer Catering Officer Dispensary Supervisor Filing Supervisor Gardening Supervisor Incharge-Puncher Personal Assistant/Secretary Production Assistant Progress Supervisor Senior Draftsman Supervisor, Telephones Teleprinter Supervisor Assistant Security-cum-Fire Brigade Officer Supervisor Communications.
21.	Rs. 250—25—450—50—600	Chargehand Examiner Transport Foreman Works Inspector.
22.	Rs. 350—25—550	Air Hostess Assistant Chief Air Hostess.
23.	Rs. 350—25—450—50—600	A.M.E. Gr. III Junior Simulator Maintenance Engineer Junior Technical Officer Radio A.M.E. III/Junior Radio Inspector.
24.	Rs. 310—25—500—50—650	Assistant Administrative Officer Assistant Chief Cashier Assistant Link Instructor Assistant Station Accountant Assistant Station Superintendent Assistant Superintendent, Stores Assistant Superintendent, Machine Room Canteen Manager Deputy Cabin Supervisor Chief Artist Chief Time Keeper Junior Accountant Junior Flight Operations Officer Junior Officer Personal Assistant to the General Manager Planner Deputy Transport Supervisor Section Officer Security Inspector

Grade No.	Pay Scale	Designation
25.	Rs. 350—25—550—50—650	Flight Purser Senior Check Purser Assistant Chief Flight Purser.
26.	Rs. 450—25—500—50—850	Administrative Officer Assistant Office Superintendent Cabin Supervisor Cabin/Catering Supervisor Chief Air Hostess Chief Cashier Chief Instructor, Training College Deputy Public Relations Officer Deputy Superintendent, Stores Equipment Planning Officer Flight Radio Telephony Operator Insurance Officer Jr. Simulator Instructor Medical Officer Pre-Flight Inspector Security Officer Security Superintendent Senior Accountant Station Accountant Statistician Welfare Officer Technical Publications Officer Transport Supervisor Superintendent, Machine Room Superintendent, Punch Room Signals Officer.
27. (i)	Rs. 600—50—900—(L.B.)—50—1000	A.M.E. Gr. II. Radio A.M.E. Gr. II Technical Officer.
(ii)	Rs. 600—50—1000	Assistant Accounts Officer Assistant Catering Supdt. Assistant Personnel Officer Assistant Secretary Cabin Maintenance Supervisor Chief Flight Purser Flight Operations Officer Hollerith Officer Link Instructor Office Superintendent Planning Superintendent Regional Accountant Navigation Instructor Senior Audit Officer Senior Deputy Superintendent, Stores Simulator Maintenance Engineer Station Superintendent Superintendent, Establishment Synthetic Instrument Instructor Plant Supervisor (Civil Engineer) Transport Engineer.
28.	Rs. 750—50—1000—100—1300	Accounts Officer A.M.E. Gr. I. Asstt. Chief Flight Engineer Chief Flight Engineer Senior Flight Operations Officer

Grade No.	Pay Scale	Designation
		Chief Technical Instructor Dy. Communications Superin- tendent Establishment Officer Flight Engineer Simulator Instructor Operations Officer Operations Superintenden Radio A.M.E. Gr. I. t Senior Synthetic Instrument Instructor Senior Technical Officer Superintendent, Stores Superintendent, Transport Technical Instructor Sr. Simulator Maintenance Engineer Senior Medical Officer.
29.	Rs. 950—50—1050—100—1450	Assistant Chief Navigator Assistant Planning Controller Asstt. Controller of Stores and Purchases Chief Flight Despatcher Chief Navigator Internal Audit Officer Navigator Publicity Manager Senior Accounts Officer Sr. Simulator Instructor Station Manager Public Relations Manager.
30.	Rs. 1000—100—1500	Chief Medical Officer Personnel Officer Senior Inspector/Assistant Superintendent.
31.	Rs. 1050—100—1450	Captain (First Officer).
32.	Rs. 1200—100—1800	Assistant Controller of Accounts Communications Superintendent Deputy Chief Inspector Dy. Controller of Stores and Purchases Dy. Superintendent/Performance Engineer Personnel Manager Secretary Senior Station Manager.
33.	Rs. 1300—100—1800	Chief Pilot Flying Instructor Senior Captain (Commander).
34.	Rs. 1500—100—2000	Chief Inspector Commercial Manager Dy. Engineering Manager Dy. Controller of Accounts Regional Manager Superintendent/Works Engineer.
35.	Rs. 1600—100—1900	Flight Superintendent, Training.
36.	Rs. 1800—100—2000	Chief Administrative Officer Divisional Operations Manager.

Grade No.	Pay Scale	Designation
37.	Rs. 1800—100—2200	Controller of Stores and Purchases.
Emoluments as approved by Government		{ Director of Engineering { Director of Operations { Director of Planning and International Relations { Commercial Director { Financial Controller { Technical Director { Assistant General Manager { Dy. General Manager { General Manager.

4. The dearness allowance at the various stages of the basic pay is as follows:—

Appendix 'B' to the Schedule to the Air-India Employees' Service Regulations

Basic pay	D.A.	Basic pay	D.A.	Basic pay	D.A.	Basic pay	D.A.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
50	73	175	112	360	150	1025	220
51	74	179	113	365	151	1050	222
53	75	185	115	370	152	1075	225
56	76	190	116	375	153	1100	227
58	77	195	117	381	154	1125	230
61	78	200	118	385	155	1150	232
64	79	205	124	395	156	1175	235
66	80	210	125	400	157	1200	237
68	81	215	126	410	159	1225	240
73	83	216	127	420	161	1250	242
80	85	225	128	425	162	1275	245
85	87	230	129	440	164	1300	247
88	89	235	130	445	165	1325	250
95	91	240	131	450	166	1350	252
100	93	245	132	460	168	1375	255
105	95	250	133	475	170	1400	257
110	96	255	134	480	171	1425	260
115	97	260	135	500	175	1450	262
120	98	265	136	525	178	1475	265
125	100	270	137	550	181	1500	267
130	101	275	138	600	187	1525	270
135	102	280	139	800	192	1550	272
140	103	285	140	825	195	1575	275
145	105	290	141	850	198	1600	277
150	106	300	143	875	202	1625	280
155	107	310	144	900	205	1650	282
160	108	325	145	925	208	1700	287
163	109	335	146	950	211	1750	292
165	110	345	147	975	214	1800	297
170	111	350	148	1000	217	1850	300
						& above	

The Dearness Allowances for stages not specifically indicated in the column 'Basic Pay' will be the same as applicable to the immediate lower stages indicated.

5. The demands made by parties may also be stated. In the original Charter of Demands, Party No. 2 asked for the following grades and scales of pay:

(i) Rs. 80—10—110—15—170. (7 years)

1. Cleaners.
2. Peons.
3. Loaders.
4. Handyman.
5. Sweepers.
6. Gardeners.
7. Chowkidars.
8. Colony Watchman.
9. Vendors.
10. Female Worker (Canteen).
11. Contract Labourer.
12. Badli/Casual Labourer.

(ii) Rs. 100—10—150—15—195. (8 years)

1. Head Cleaners.
2. Head Peons.
3. Head Loaders.
4. Head Handyman.
5. Head Sweepers.
6. Head Gardeners.
7. Head Chowkidars.
8. Head Watchman (Colony).
9. Head Vendors
10. Head Female Worker (Canteen).
11. Heads of employees in categories coming under (i).
12. Kitchen Boy.
13. Tea Makers (Canteen).
14. Employees coming under (i) and handling or operating machines in Engineering or other Depts.

(iii) Rs. 120—10—150—15—225. (8 years)

1. Loading Supervisors.
2. Assistant Cooks (Canteen).
3. Dressers.
4. Cooks (Canteen).
5. Employees in (i) working as Service and equipment supervisor in cabin and catering Dept.

- (iv) Rs. 150—15—210—20—310—25 460. (15 years)
1. Head Cooks.
 2. Drivers.
 3. Yard Supervisors.
 4. Head/Senior Drivers.
 5. Printer's Assistant.
 6. Mukadam.
- (v) Rs. 180—15—225—20—305—25—430—50—730. (18 years)
1. Junior Clerk.
 2. Junior Timekeeper.
 3. Typist-Clerk.
 4. Typists.
 5. Junior Punchers.
 6. Junior Comptists.
 7. Junior Telephone Operators.
 8. Junior Teleprinter Operators.
 9. Junior Compounder.
 10. Junior Canteen Assistant.
 11. Junior Mails Assistant.
 12. Junior Traffic Assistant.
 13. Junior Cargo Assistant.
 14. Junior Store-keeper.
 15. Junior Progress Clerk.
 16. Junior Printer.
 17. Tracer.
 18. Senior Clerk.
 19. Senior Timekeeper.
 20. Senior Punchers.
 21. Senior Comptists.
 22. Senior Telephone Operator.
 23. Senior Teleprinter Operator.
 24. Senior Compounder.
 25. Senior Mails Assistant.
 26. Senior Traffic Assistant.
 27. Senior Cargo Assistant.
 28. Senior Storekeeper.
 29. Senior Progress Clerk.
 30. Senior Printer.
 31. Cashier.
 32. Stenographer.
 33. Steno-typists.
 34. Transport Assistant.
 35. Stock Verifiers (Stores).
 36. Draughtsman.

37. Junior Catering Asstt.
38. Senior Catering Asstt.
39. Supervisor-cum-Clerk.
40. Junior Artists (S.T.A.)
41. Junior Printer (Artists).
42. Senior Clearing Clerk.
43. Senior Printer (Artists).
44. Ramp Supervisor.
45. Senior Canteen Asstt.
46. Security Assistant.
47. Briefing (Operations) Asstt.
48. Grainshop Clerk (Chief).

(vi) Rs. 260—20—300—25—400—50—850. (15 years)

1. Mechanics (all trades aircraft engineering).
2. Mechanics (all trades works engineering).
3. Mechanics (all trades M. T. engineering).
4. Welders (non-licences).
5. Technician (Teleprinter).

(vii) Rs. 275—25—450—50—850. (15 years)

1. Asstt. Cabin Supervisor.
2. Chief Catering Assistant.
3. Librarian.
4. Chief Cargo Assistant.
5. Chief Printer.
6. Asst. Transport Supervisor.
7. Chief Customs Clerk.
8. Office Assistant/Empl. Asst.
9. Section Storekeeper.
10. Chief Telephone Operator.
11. Technical Assistant.
12. Chief Traffic Assistant.
13. Assistant Artist.
14. Chief Printer (Art Work).
15. Asst. Catering Supervisor.
16. Progress Assistant.
17. Planning Assistant.
18. Senior Briefing Asstt.
19. Senior Operations Asstt.
20. Head Compounder.
21. Senior Cashiers/Sr. Stenos.
22. Chief Comptists.
23. Chief Punchers.
24. Senior Transport Asstt.

25. Chief Teleprinter Operator.

26. Dispensary Assistant.

(viii) Rs. 325—25—500—50—900.

(15 years)

1. Incharge-Punchers.

2. Dispensary Supervisor.

3. Asstt. Security Officer.

4. Catering Officer.

5. Artists.

6. Filing Supervisor.

7. Gardening Supervisor.

8. Personal Assistant.

9. Secretary to Dept. Heads.

10. Production Assistant.

11. Senior Draughtsman.

12. Head Draughtsman.

13. Library Supervisor.

14. Senior Librarian.

15. Progress Supervisor.

16. Supervisor-Telephones.

17. Teleprinter Supervisor.

18. Assistant Security Officer-cum-Fire Brigade Officer.

19. Supervisor Communications.

20. Section Incharge.

21. Supervisor-Production & Planning.

22. Supervisor-Comptists.

23. Chief Operations Asstt.

24. Supervisor (Colony).

25. Chief Storekeeper.

26. Chief Expeditor (Progress)

27. Stores Supervisor.

28. Private Secretary.

29. Publicity Assistant.

30. Works Supervisor.

(ix) Rs. 350—25—450—50—1050.

(16 years)

1. Examiner.

2. Aircraft Maintenance/Radio Engineer (Working as Mechanics) (Aircraft Engg).

3. Leading Hands (Radio Technicians I).

4. Leading Hands (M. T. Engg).

5. Chargehands (M. T. Engg).

6. Welders (with licences).

7. Welders (D. G. C. A. Approved).

8. Transport Foreman (M.T.).
9. Work Inspector (Plant Eng.).
10. Supervisor-Plant.
11. Leading Hands (aircraft engineering).
12. Chargehands (aircraft engg.)
13. Examiners (DGCA Approved aircraft engineering).
14. Leadinghand (Teleprinter).
15. Chargehands (Teleprinter).
16. Foreman aircraft engine Test house.
- (x) Rs. 350—25—450—50—700. (9 years)
 1. Receptionists. |
 2. Lady Receptionists.
 3. Passenger Relations Asstt.
 4. Ground Hostess. |
 5. Incharge-Passport.
- (xi) Rs. 400—25—500—50—800. (10 years)
 1. Junior Flight Cargo Attendant.
 2. Assistant Flight Purser. |
 3. Senior Flight Cargo Attendant.
- (xii) Rs. 500—50—700—100—900.
 1. Air Hostess.
 2. Asstt. Chief Air Hostess.
- (xiii) Rs. 500—50—700—100—1100. (8 years)
 1. Flight Purser. |
 2. Senior Check Purser.
 3. Asstt. Chief Flight Purser.
6. This was considerably altered and inflated when the statement of claims was filed before the Tribunal. The scales and grades of pay now claimed are as follows:
 - (i) 140—10—170—15—215—20—315. (11 years)
 1. Cleaners. |
 2. Peons.
 3. Loaders. |
 4. Handyman.
 5. Sweepers.
 6. Gardener. |
 7. Chowkidar. |
 8. Colony Watchman. |
 9. Vendors. |
 10. Female Workers (Canteen). |
 11. Contract Workers. |
 12. Casual/Temporary Labourers or hands.
 13. Utility men/women.
 14. Daily rated workers. |

- (ii) Rs. 150—10—180—15—225—20—345. (12 years)
1. Head Cleaners.
 2. Head Peons.
 3. Head Loaders.
 4. Head Sweepers.
 5. Head Gardeners.
 6. Head Chowkidar.
 7. Head Watchman (Colony).
 8. Head Vendors.
 9. Head female workers (Canteen).
 10. Head Handyman.
 11. Heads of employees in grade (i) above.
 12. Kitchen boy.
 13. Tea makers (Canteen).
 14. Employees in grade (i) above who are operating or handling duplicating machines or other machines or processes in Engineering or other Departments.
 15. Daftri.
- (iii) Rs. 170—10—190—15—250—20—370. (12 years)
1. Loading Supervisors.
 2. Dressers.
 3. Assistant Cooks.
 4. Employees in grade (i) working as Service and/or Equipment Supervisor in Cabin-Catering or other Departments.
 5. Cooks.
 5. Binders.
 7. Mechanic Helper/Printer Helper.
- (iv) Rs. 180—10—200—15—260—20—360—25—435. (14 years)
1. Head Cooks.
 2. Drivers.
 3. Printers Assistant.
- (v) Rs. 195—10—215—15—275—20—375—25—450. (14 years)
1. Yard Supervisor.
 2. Senior Drivers.
 3. Head Drivers.
 4. Mukadam.
 5. Mukadam (Gardening).
 6. Head/Senior Dressers.
 7. Surgery Assistant. (Jr.).
 8. Despatch Rider.

- (vi) Rs. 210—15—300—20—400—30—580—50—680. (19 years)
1. Junior Clerk.
 2. Junior Timekeeper. }
 3. Typist-clerk. ,
 4. Typists. }
 5. Junior Punchers. }
 6. Junior Comptists. }
 7. Junior Telephone Operators.
 8. Junior Teleprinter Operators.
 9. Junior Compounder. }
 10. Junior Canteen Assistants. }
 11. Junior Mail Assistants. }
 12. Junior Traffic Assistants.
 13. Junior Cargo Assistants. }
 14. Junior Cabin Assistants. }
 15. Junior Catering Assistants.
 16. Junior Security Assistants.
 17. Tracers.
 18. Ferro-Printer Operator.
 19. Record clerk.
- (vii) Rs. 225—15—300—20—400—30—580—50—680. (18 years)
1. Junior Storekeeper. }
 2. Junior Progress Clerks.
 3. Junior Expeditor.
 4. Junior Proof Reader. }
 5. Junior Compositor.
 6. Junior Plate Maker. }
 7. Junior Camera Operator.
 8. Junior Printing Machine Operator.
 9. Junior Printer (I.B.M. Composing).
 10. Art. Work Asstt. (Printing). }
 11. Junior Documentation Asstt.
 12. Junior Sales & Advertising Asstt.
 13. Junior Statistical Asstt.
 14. Drawing Office Asstt. }
- (viii) Rs. 280—20—320—25—395—30—575—50—820. (16 years)
1. Senior Clerk. }
 2. Senior Timekeeper. }
 3. Senior Punchers.
 4. Senior Comptists.
 5. Senior Compounders. }
 6. Senior Telephone Operators.

7. Senior Teleprinter Operators.
8. Senior Mail Asstt.
9. Senior Traffic Asstt.
10. Senior Cargo Asstt.
11. Stenographer.
12. Steno-typists.
13. Transport Asstt. (Junior).
14. Senior Typist-clerks.
15. Senior Typists.
16. Senior Catering Asstts.
17. Senior Cabin Asstt.
18. Junior Draughtsman.
19. Head Tracers/Senior Tracers.
20. Supervisor-cum-Clerk.
21. Junior Printer (Art. Work).
22. Senior Clearing Clerk.
23. Ramp/Equipment Supervisors.
24. Senior Canteen Asstts.
25. Junior Artists.

(ix) Rs. 300—20—320—25—395—30—575—50—825.

(15 years)

1. Senior Storekeeper.
2. Senior Progress Clerk.
3. Stock Verifiers.
4. Senior Expeditor.
5. Senior Proof Reader.
6. Senior Compositor.
7. Senior Plate Maker.
8. Senior Camera Operator.
9. Senior Printing Machine Operator.
10. Senior Printer (I.B.M. Composing).
11. Senior Statistical Asstt.
12. Senior Sales & Advertising Asstt.
13. Senior Documentation Asstt.
14. Record Asstt.
15. Draughtsman.
16. Transport Asstt.
17. Library Asstt.
18. Asstt. Cashier.
19. Senior Printer.
20. Junior Briefing Asstt.
21. Junior Operations Asstt.

- (x) Rs. 300—20—320—25—395—30—575—50—925. (17 years)
1. Mechanics (All Trades)—Aircraft Engineering.
 2. Mechanics (All Trades)—Work Engineering.
 3. Mechanics (All Trades)—M. T. Engineering.
 4. Welders (non-licenced)
 5. Technicians (Teleprinter/Telephones).
- (xi) Rs. 425—30—575—50—975. (13 years)
1. Asstt. Transport Supervisor.
 2. Asstt. Cabin Supervisor.
 3. Chief Catering Asstt.
 4. Librarian.
 5. Chief Cargo Asstt.
 6. Chief Printer.
 7. Chief Customs Clerk.
 8. Office Asstt./Accounts Superintendent.
 9. Security Asstt.
 10. Sectional Storekeeper.
 11. Chief Teleprinter Operator.
 12. Chief Telephone Operator.
 13. Technical Asstt. (Planning & Previsioning).
 14. Chief Traffic Asstt.
 15. Senior Printer (Art. Work).
 16. Asstt. Artists.
 17. Asstt. Catering Supervisor.
 18. Progress Asstt.
 19. Chief Compounder.
 20. Cashier.
 21. Chief Comptists.
 22. Chief Puncher.
 23. Senior Transport Asstt.
 24. Briefing Asstts.
 25. Senior Operations Asstts.
 26. Chief Canteen Asstt.
 27. Employment Asstt.
 28. Senior Stenographers.
 29. Senior Briefing Asstt.
 30. Estate Asstt.
 31. Surgery Asstt.
- (xii) Rs. 500—50—1000—100—1200. (12 years)
1. Filling Supervisor.
 2. Incharge-Punchers.
 3. Asstt. Security Officer.
 4. Dispensary Supervisor.

5. Catering Officer.
 6. Chief Artist.
 7. Chief Printer.
 8. Gardening Supervisor.
 9. Personal Asstt.
 10. Secretary to Departmental Heads.
 11. Production Asstt.
 12. Planning Asstt.
 13. Senior Draughtsman.
 14. Library Supervisor.
 15. Supervisor—Telephones.
 16. Teleprinter Supervisor.
 17. Progress Supervisor.
 18. Supervisor—Communications.
 19. Asstt. Security-cum-Fire Brigade Officer.
 20. Fire Brigade Officer.
 21. Section Officer.
 22. Junior Officer.
 23. Planner.
 24. Chief Time Keeper.
 25. Supervisor—Time Office.
 26. Security Inspector.
 27. Chief Store Keeper.
 28. Supervisor—Stores.
 29. Supervisor (Colony).
 30. Publicity Asstt.
 31. Works Supervisor.
 32. Head Cashier/Senior Cashiers.
 33. Junior Accountant.
 34. Supervisor—Printing.
 35. Chief Briefing Asstt.
 36. Chief Operations Asstt.
 37. Supervisor—Sales and Advertising.
 38. Supervisor—Passport.
 39. Establishment Asstt.
 40. Supervisor—Canteen.
 41. Comptist—Supervisor.
 42. Inspection Asstt.
- (xiii) Rs. 450—25—500—50—950. (11 years)
1. Receptionists.
 2. Ground Hostess.
 3. Passenger Relations Asstts.
 4. Live-Stock Attendants.
 5. Cargo Attendants.

- | | |
|---|------------|
| (xiv) Rs. 450—25—500—50—950. | (11 years) |
| Asstt. Flight Pursers. | |
| (xv) Rs. 500—50—700—100—1100. | (8 years) |
| 1. Air Hostess. | |
| 2. Asstt. Chief Air Hostess. | |
| (xvi) Rs. 500—50—700—100—1400. | (11 years) |
| 1. Flight Purser. | |
| 2. Senior Check Purser. | |
| 3. Asstt. Chief Flight Purser. | |
| (xvii) Rs. 500—50—1000—100—1200. | (12 years) |
| 1. Examiners. | |
| 2. Ungraded A.M.Es./A.R.M.Es | |
| 3. Master Mechanic. | |
| 4. Welders (Licenced). | |
| 5. Approved Welders. | |
| 6. Leading Hands. | |
| 7. Charge Hands. | |
| 8. Foreman—Test House. | |
| 9. Foreman—Transport. | |
| 10. Works Inspector (Plant Engineering). | |
| 11. Plant Supervisor (Works Engineering). | |
| 12. Approved Inspectors. | |
| 13. Technical Asstt. (Technical). | |

7. The demand of Party No. 3 is as follows:

“Scales and Grades of Pay.

The following categories of employees of the Air-India Corporation should be paid the scales of pay shown against them replacing the existing scales of pay :

Categories

Grade I

- | | |
|--|-------------------------|
| (1) Cleaners other than those working in the Engg. Deptt., Stores Operations and Printing Press. | } Rs. 100—10—150—15—210 |
| (2) Loaders. | |
| (3) Kitchen Boys. | |
| (4) Canteen Vendor (other than tea maker). | |
| (5) Gardener. | |
| (6) Sweeper. | |
| (7) Female Worker (Canteen). | |
| (8) Handyman. | |
| (9) Helper. | |

*Categories**Grade II*

- | | | |
|--|---|-------------------------------|
| (10) Cleaners (Working in the Engg. Dept.,
Stores, Operations and Print-
ing Press). | } | Rs. 120—10—150—15—225—20—285. |
| (11) Head of Employee in Grade I. | | |
| (12) Peons. | | |
| (13) Cooks/Teamaker. | | |
| (14) Chowkidars/Colony Watchman. | | |

Those who are asked to operate the Duplicating Machine will continue to get the present allowance except the full time operator. The full time operator should be fitted in Assistant Printing Grade.

Grade III

- | | | |
|--------------------------|---|-------------------------------|
| (15) Head Cook. | } | Rs. 140—10—150—15—225—20—305. |
| (16) Head Chowkidar. | | |
| (17) Head Peon/Daftari. | | |
| (18) Dresser. | | |
| (19) Loading Supervisor. | | |
| (20) Blast Operator. | | |
| (21) Head Cleaner. | | |

Grade IV

- | | | |
|---------------------------|---|------------------------|
| (22) Drivers | } | Rs. 150—15—225—20—325. |
| (23) Printer's Assistant. | | |

Grade V.

- | | | |
|-------------------------|---|-------------------------------|
| (24) Senior/Head Driver | } | Rs. 180—15—225—20—345—25—445. |
| (25) Yard Supervisor | | |
| (26) Mukadam | | |

Grade VI

- | | | |
|------------------------------|---|-------------------------------|
| (27) Typist/Clerk | } | Rs. 180—15—225—20—345—25—445. |
| (28) Jr. Clerk | | |
| (29) Typist | | |
| (30) Jr. Punch Operator | | |
| (31) Jr. Comptists | | |
| (32) Jr. Telephone Operator | | |
| (33) Jr. Time Keeper | | |
| (34) Jr. Compounder | | |
| (35) Jr. Canteen Assistant | | |
| (36) Jr. Mailis Assistant | | |
| (37) Jr. Traffic Assistant | | |
| (38) Jr. Tracer | | |
| (39) Jr. Cargo Assistant | | |
| (40) Jr. Catering Assistant. | | |

Grade VII

- | | | |
|-------------------------------|---|-------------------------------|
| (41) Jr. Teleprinter Operator | } | Rs. 195—15—225—20—345—25—470. |
| (42) Jr. Store Keeper | | |
| (43) Jr. Progress Clerk | | |
| (44) Jr. Printer | | |

*Categories**Grade VIII*

(45) Sr. Clerk/Clearing Clerk	}	Rs. 225—20—345—25—470—50—570.
(46) Sr. Comptists		
(47) Sr. Telephone Operator		
(48) Sr. Compounder		
(49) Sr. Mails Assistant		
(50) Stock Verifier		
(51) Sr. Traffic Assistant		
(52) Sr. Cargo Assistant		
(53) Sr. Punch Operator		
(54) Jr. Artist		
(55) Sr. Catering Assistant		
(56) Sr. Time Keeper		
(57) Stenographer		
(58) Colony Supervisor/Supervisor-cum-Clerk		
(59) Ramp Supervisor		
(60) Transport Assistant		

Grade IX

(61) Sr. Teleprinter Operator	}	Rs. 245—20—345—25—470—50—620.
(62) Sr. Store Keeper		
(63) Sr. Progress Clerk		
(64) Sr. Printer		

Grade X

(65) Cashier	}	Rs. 265—20—345—25—520—50—720.
(66) Draughtsman		
(67) Section Store Keeper		
(68) Librarian		
(69) Chief Traffic Assistant		
(70) Office Assistant		
(71) Chief Cargo Assistant		
(72) Chief Printer		
(73) Asstt. Transport Supervisor		
(74) Asstt. Cabin Supervisor		
(75) Chief Telephone Operator		
(76) Chief Teleprinter Operator		
(77) Sr. Canteen Assistant		
(78) Sr. Stenographer		
(79) Briefing Assistant		
(80) Chief Catering Assistant		
(81) Jr. Cargo Attendant		
(82) Chief Customs Clerk		
(83) Security Assistant		

Grade XI

(84) Technical Assistant	.	.	.	Rs. 285—20—345—25—520—50—720.
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Grade XII

(85) Secretary/Personal Asstt	}	Rs. 350—25—450—50—800.
(86) Sr. Draughtsman		
(87) Teleprinter Supervisor		
(88) Supervisor Communication		
(89) Filing Supervisor		
(90) Progress Supervisor		
(91) Supervisor Telephone		
(92) Catering Officer		
(93) Sr. Cashier		
(94) Sr. Librarian		
(95) Production Assistant		
(96) Assistant Artist		
(97) Incharge-Punch Operator		
(98) Gardening Supervisor		
(99) Dispensary Supervisor		

Grade XIII

(100) Receptionists Rs. 280—20—340—25—440

Grade XIV

(101) Acro Technicians	} Rs. 215—20—335—25—460—50—710.
(102) Automobile Technicians	
(103) Plant Technicians	
(104) Masons/Turners	
(105) Welders } with one licence	
(106) Plumber } or no licence.	

Grade XV

(107) Teleprinter Technicians	} Rs. 235—20—335—25—460—50—760.
(108) Welders (with two licences)	

Grade XVI

(109) Leading Hands (All trades)	} Rs. 325—25—450—50—900.
(110) Welders (with more than two licences)	
(111) Charge Hands/Foreman	

Grade XVII

(112) Examiners Rs. 400—25—450—50—700—75—1000—100—1200.

Employees in their grades listed under Grade Nos. VI and VII on reaching the maximum of their grades should automatically move to the Senior Grade Nos. VIII and IX respectively.

The salaries of employees shall be adjusted in the new grades on the following basis:

- (a) One additional revised increment for every completed two years of service after being fitted in the revised grade. If there is no point of fitment in the revised grade, the employees should be fitted in next higher stage in the new grade.
- (b) For the purpose of this demand, service of an employee shall be the total service rendered in the Corporation.
- (c) The above adjustments should be made after fitting the employee in the revised pay scale. Those who get more than the maximum as the result of the above adjustment will continue to get the same and their basic pay cannot be reduced under any circumstances.

The fact that an employee has already obtained the maximum in the existing grade and has been at that maximum for more than one year shall not in any way affect his right to have basic pay adjusted in accordance with rule contained in "Demand No. 10."

8. I need not set out the demands of Parties No. 4 and 5 as a settlement has been arrived at between the Corporation and both these parties, and their demands no longer survive.

9. Party No. 6, Flight Navigators, have claimed a salary scale of Rs. 1400—100—2000 per month for navigators and a salary of Rs. 800 per month for cadet navigators.

10. Flight Engineers, Party No. 7, have claimed a basic pay grade of Rs. 1000—100—1800. They also claim the following allowances and bonus:—

- (1) (a) Rs. 300/- for the first 3 years after qualification of Boeing aircraft.
- (b) Rs. 500/- for the 4th and 5th years.
- (c) Rs. 700/- for the 6th year and above.
- (2) An Overseas Operations Allowance of Rs. 450/- per month, and
- (3) An Efficiency Bonus of Rs. 100/- per month.

Dearness Allowance

11. With regard to dearness allowance, the claim of almost all parties is that there should be a complete neutralisation of the rise in the cost of living since the scale of the dearness allowance was last fixed. Party No. 2 claims that dearness allowance should be calculated according to the following table:—

Basic pay	D. A.	D.A.	D.A.
Rs.	Rs. Ps.	Rs. Ps.	Rs. Ps.
140	189·00	426	396·56
150	202·50	455	406·69
170	229·50	485	416·81
200	270·00	515	424·79
215	280·12	545	430·64
235	293·62	575	436·49
255	307·12	625	446·24
275	320·62	675	455·99
295	334·12	725	465·74
320	351·00	825	485·24
370	378·00	925	504·74
395	386·44	1250	603·12

12. The above table is related to the consumer price index between 441 and 450. If the index figure rises, there should be an addition of 1 per cent. to 5 per cent. for every rise of 10 points according to different slabs.

13. Party No. 3 demands that the existing rate of dearness allowance should be increased by 50 per cent. with the proviso that in no case should the increase be less than Rs. 50/-, and in future for every rise of 5 points in the cost of living index figure the employee should be compensated by a flat rate of Rs. 5/- per month.

14. The claim of Party No. 6 is set out in paragraph 15 of its written statement which is in the following terms:—

“The Navigators do not make any specific claim as regards dearness allowance. Air India has at present a scale of dearness allowance, varying with basic salary. This scale is in common with the rest of the flight crew. They demand that such

modifications in the rates of dearness allowance of the rest of the flying crew as may be made from time to time should be applied to Navigators also. The Navigators say that the dearness allowance at present paid by Air India is not adequate and does not justify itself in the present context of rising costs. It must, therefore, be improved so as to neutralise the rise in the cost of living and should be on a scale which will vary in proportion to further rise in the cost of living."

15. As regards Party No. 7, their demand is as follows:—

"The Association has not specifically asked for revision of D.A., but it has asked for an increase in salary and other allowances partly to compensate for the increase in prices, and this should be taken into consideration while considering the demand of revision of grade or other allowances. However should there be a revision of the said Appendix 'B' then the Association demands that the same be made applicable to the flight engineers."

16. A separate dearness allowance possessing a separate entity of its own, added to the basic pay in order to make up the total emoluments of a workman is a feature peculiar to India. It seems that in the hearts of men with nostalgic memories, there continues to subsist an undying hope that the days of plentiful supplies and cheap prices will once again come back. It is strange that this hope should continue to struggle in the face of the most adverse experience and pragmatic logic. Prices have increased in relentless manner and continue to increase; no right-thinking man now feels that there will be a substantial fall in the cost of living within a foreseeable time. In other countries too, there has been a similar rise in the cost of living, and this has been compensated by scaling up the salaries. It seems to me that the time has come to do away with the anomaly of maintaining a small basic pay and a very large dearness allowance. For instance, at the lowest grade for a basic pay of Rs. 50/-, the dearness allowance now is Rs. 88 which is more than 150 per cent. of the basic salary. At the higher grades of pay the percentage of the dearness allowance falls but remains substantial. There is perhaps a reluctance to increase the salaries in a way which might appear disproportionate, but when we consider the total emoluments received by a workman whether at the lowest, the intermediate or the highest grade, there seems very little justification for dividing his total emoluments in an unrealistic manner so that a large portion of it constitutes a mere appendage in the shape of dearness allowance. At least a substantial part of the dearness allowance should now be merged in the salary. This was the recommendation made by the Gadgil Committee and was later supported by the Second Pay Commission 1957—59. Some part of the dearness allowance was then merged with the basic salary. The time, I feel, has come for a further merger, partial if not complete. It may be that there is some possibility of prices falling to some small extent if the economy of the country can be improved, though for myself I entertain very little hope on this score. Nevertheless, it may be an overbold step to merge the entire dearness allowance into the salaries, and I have, therefore, considered it advisable to upgrade all the salaries and keep only a portion of dearness allowance separate. This, in my view, is a more realistic way of dealing with the question of dearness allowance than keeping it wholly separate from the basic

salary or effecting its complete merger, because keeping a small portion of it separate from the salary enables it to be increased or decreased with the rise or fall of prices.

17. It will be seen that the demands made by the workmen, particularly those who are members of Parties No. 2 and 3 are very large. They do not appear to me to bear any relation to the actual rise in the cost of living nor to the comparatively greater profits earned by the Corporation. I may emphasise this point by relating briefly the history of the demands regarding salary scales since 1959 when a reference to the Committee of Arbitration was made by an agreement between the Corporation and Party No. 2 on April 1, 1959. At that time the lowest salary was that of the female worker whose grade was Rs. 26-2-36. In addition to this, there was a dearness allowance of Rs. 58/-. The next grade was that of a cleaner, loader, peon, chowkidar, etc. These workmen are now classed in Grade I. Their salary scale at that time was Rs. 39-3-54-4-66 for a sweeper and Rs. 39-3-57-4-73 for a peon and a loader and Rs. 39-3-54-4-74 for a chowkidar. In addition to this, there was the dearness allowance payable at the different grades. The minimum pay of peons, chowkidars, cleaners was thus Rs. 97/-. At that time these workmen demanded a basic pay of Rs. 50-3-59-4-75-5-90. In addition to this, they claimed dearness allowance at the following rate:

Rs. 40/- or 50 per cent of the basic pay whichever is higher plus
Rs. 2-8-0 for every rise of 10 points in the cost of living
index beyond 250.

In April 1959 when the Arbitration Committee was appointed as a result of an agreement between the parties, the cost of living index was 400 (base June 1934=100) as indicated in Exhibit U-III/23 which is in extract from the Labour Gazette of February 1965 (page 766) and is reproduced below.

EXHIBIT U-III/23

Consumer Price Index Series—Bombay City—All items. (Average prices from July 1933 to June 1934=100)

Source : Labour Gazette Feb. '65
Page 766.

Year	Average	Jan.	Feb.	March	April	May	June	July	August	Sept.	October	No- vember	De- cember
1959	412	396	399	401	400	406	413	418	420	422	427	424	420
1960	420	422	418	414	421	421	422	423	421	418	421	423	419
1961	431	419	420	423	428	431	433	437	438	436	434	434	435
1962	444	436	438	439	439	443	447	448	454	450	446	445	440
1963	448	438	437	438	437	440	446	448	449	454	453	454	483
1964	516	485	489	496	497	499	511	526	529	531	538	543	543
1965		542	536										

Therefore, the lowest pay demanded was Rs. 50+40+37.50 making a total of Rs. 127.50. Shri Vyas after considering the matter in great detail and basing his opinion upon the need-based wage came to the conclusion that the lowest pay should be Rs. 124, i.e. Rs. 114 basic and Rs. 10 dearness allowance. Before Shri Vyas could give his award, Party No. 2 came to a settlement with the Corporation. As a result of the settlement, a minimum salary of Rs. 123 was fixed which was made up of Rs. 50 basic pay and Rs. 73 dearness allowance. The demand for higher salaries was proportionately greater and the settlement did not fully concede the demand. The settlement, however, benefited the workmen to a considerable extent and Shri Vyas was of the opinion that the Corporation had been compelled to yield to the workmen against the dictates of wisdom. This is what he said about the matter:

"The pressure thus brought by the Union upon the Management appears to have been resisted by the Management for some time, but ultimately under the coercive measure of a threat or intimidation of a lightning strike, it seems to have succeeded with the result that now, quite late in the day—indeed after my award was ready and was being typed for being forwarded to Government—we have the ratification of the four Arbitrators' Agreement by the Management. Industrial peace is certainly a most desirable and an excellent thing to have; but on the other hand, pressure, coercion and threats should also not be encouraged to traverse beyond reasonable and rational bounds."

Shri Vyas further observed:

"It is my fully considered opinion that if there is any case in which merits are sacrificed to an intimidation of an industrial unrest and in which the Management has by sheer stress of circumstances felt obliged to honour a commitment into which it was landed by its representatives on the Committee of Arbitration who had no authority or directive from the Management to enter into any such agreement, it is this case. If there is any case in which decisions on merit on the various demands, after the majority of the demands were fully heard and investigated on merit during the course of the hearings which lasted for 61 days, have been sought to be stifled by the Union so that they might not see the light of the day, it is this case. As I have said, industrial peace is doubtless an admirable objective worth striving for everytime and all the time. It is essential for the stability and equilibrium of the society and for the contentment of the humanity. But even a good thing has its own limitations. If industrial peace can be secured by a reasonable, rational and legitimate exercise of bargaining, persuasion and even pressure, it should certainly be striven for. But if pressure goes beyond reasonable bounds and assumes the form of threat, intimidation and coercion, then a question must arise sooner or later, sometime or other, at some stage or other for the serious thought by the thinking elements in the country how far the forces of threat and intimidation should be permitted for encouraged to drown the merits of the disputes and dominate the field of industrial relations."

Shri Vyas was convinced that the settlement with the Corporation pending the arbitration was a triumph of threat and coercion over reason and merit, and at the conclusion of his report he gave expression* to the following sentiments:

"We are standing in the vestibule of a new age in which we must do our best to lift the scourge of poverty and make human misery obsolete. This cannot be done without strengthening our economic resources. Strengthening of economic resources cannot be done without industrialisation; and industrialisation would remain only a dream if the workers pitch the interests of their own individual well-being so high as to stifle the industry. True, the workers as much as the employers have a right to walk the earth with grace, with dignity and pride. True, they together with the employers constitute a great human family; but they (workers) must realise that if they cripple the industries by their exorbitant demands, it would be making it more difficult for the country to emerge into economic independence and affluence."

18. I have taken the liberty to quote the above passages, not because, with great respect to Shri Vyas, I subscribe to all the noble sentiments expressed by him but because they indicate clearly the effect which the settlement had upon Shri Vyas's mind. He was firmly of the conviction that the demands made by the workmen were excessive and that they were not entitled to any more than what he was awarding after a due consideration of all the factors which must be taken into account for determining the wage scales of the workers. The settlement conceded the demands almost in their entirety, and Shri Vyas thought that the Management of Air India had conceded far more than it should have in reason and consistently with its financial capacity. Be that it may, the Corporation has borne the additional burden undertaken in 1960 without showing any signs of having been crippled or even weakened. On the other hand, it has continued to progress and to increase its profits. Participation in the prosperity of the industry imbues in the workmen a feeling of belonging and acts as an incentive to greater effort leading to greater productivity. Though it has been said that in India higher wages do not always lead to greater productivity, I am not so pessimistic as to undervalue the capacity or the integrity of Indian workmen. A person who feels that he is being underpaid can never put the best into his work. The vicious mind which shirks work with every rise in wages is a rare phenomenon, and simply because in the opinion of some economic experts productivity in India has not always increased with rise in wages, we cannot refuse to compensate workmen for the rise in prices. There is no doubt that prices have risen since 1959 when the reference to arbitration was made. The cost of living index in 1959 was 400 whereas in January 1965 it was 542. Nevertheless, it does seem to me that the demands which have been made by the workmen are in excess of what is warranted by the rise in prices since the wage scales were fixed by mutual agreement and by the slightly increased prosperity of the Corporation. The following table gives some instances of the manner in which the original demands as made in their charter were later augmented. This is more particular true of Party No. 2.

GROUP I.

PARTY No. 2.

Item 1. Grades and Scales of Pay

Designation	Existing scales	Charter of Demand	Statement of claims
Cleaner	50-3-59-4-75-5-90	80-10-110-15-170	140-10-170-15-215-20-315.
Head Cleaner	70-5-100-10-120	100-10-150-15-195	150-10-180-15-225-20-345.
Stock Verifier	140-10-150-15-225-20-365.	180-15-225-20-305-25-430-50-730.	300-20-320-25-395-30-575-50-825.
Cashier	165-15-225-20-345-25-395.	180-15-225-20-305-25-430-50-730.	425-30-575-50-975.
Chief Teleprinter Operator	180-15-225-20-345-25-420.	275-25-450-50-850.	425-30-575-50-975.
Planning Assistant . . . .	..	275-25-450-50-850	500-50-1000-100-1200.
Assistant Security Officer .	275-25-550	325-25-500-50-900	500-50-1000-100-1200.
Works Inspector (Plant Engg.).	..	350-25-450-50-1050	500-50-1000-100-1200.

Item 4—*Dearness Allowance*.—Demanded increase of 50 per cent in the Charter and this was inflated in the Statement to 100 per cent for first 200 and thereafter slabs 50·25 and 12 per cent with a maximum of 650.

The union at a later stage introduced new demands, *e.g.*

Item 36—*Children Allowance*.—Entirely new demand in the Statement.

Item 37—*Driving Allowance*.—Entirely new demand in the Statement.

Item 43—*Radio Telephone Allowance*.—Entirely new demand in the Statement.

Item 51—*Special Travelling Allowance*.—Entirely new demand in the Statement.

19. The demand for the lowest grade made by Party No. 3 is another clear instance in point. This demand is for a basic salary of Rs. 100 and dearness allowance of Rs. 125, that is a total salary of Rs. 225. The argument advanced is the rise in the cost of living, and this was sought to be supported by Exhibit U-III/20 which gives a calculation of the need-based wage. According to this calculation, the minimum pay which would provide full compensation for the present price level is Rs. 291.20. There is here a clear inconsistency because if the absolute minimum wage upon which the worker and the family can subsist is Rs. 291.20, then Party No. 3 must be held guilty of dereliction of duty in making a demand of only Rs. 225. On the other hand, members of this party having agreed to the rate of Rs. 123 in May 1960 when the consumer price index was 421 cannot in reason demand even Rs. 225 in September 1964 when their statement of claims was put in and when the consumer

index was no more than 531, that is, only 26 per cent higher than in May 1960. The demand was, however, made in July 1964 when the consumer price index was only 526, that is, 25 per cent higher than in May 1960. On this basis, the demand should have been for Rs. 153.6 (Rs. 123 plus Rs. 30.6 representing 25 per cent of Rs. 123). The argument holds good for the demand at all stages of the pay scales claimed. In 1959 when the Commission of Enquiry on Emoluments and Conditions of Services of Central Government employees made its report, the Commission recommended a salary of Rs. 120. It is clear that in the opinion of the Commission, a workman could live and support his family on a total of Rs. 120. Increasing the salary proportionately to compensate a 28 per cent rise in the cost of living in July 1964, the salary should be no more than Rs. 153 as I have already observed in Chapter V. Even this figure is more than the need-based wage and certainly more than the minimum wage. Therefore by increasing the minimum salary above the figure of Rs. 153/-, we are moving towards a living wage and certainly securing a fair wage. The question simply is what should be the quantum of increase. The increase must clearly depend upon the financial capacity of the Corporation to pay. Also the repercussion which the increase may have on other industries must not be ignored. The Corporation by entering into an agreement with parties No. 4 and 5 has conceded its ability to bear an increased burden to the extent of between 20 and 30 per cent of the salary of its Pilots and Ground Engineers. It may be that the Corporation was coerced into making this concession but it seems to me quite clear that the additional burden is in no way crippling for otherwise the Corporation would not have seen its way to assuming it even under the greatest coercive pressure.

20. The original scale of the senior captains under the agreement of April 22, 1960, which was in operation when this reference was made, was Rs. 1300-100-1800. In addition to this, senior captains received a jet allowance of Rs. 650, efficiency bonus of Rs. 100, command pay of Rs. 200 and radio telephone allowance of Rs. 100. There was also a navigation allowance of Rs. 100 and overseas operations allowance of Rs. 400. The dearness allowance was on a sliding scale, increasing from Rs. 277 at the lowest pay of the scale to Rs. 300 at the highest. This does not take into account the travelling allowance that is paid to the pilots on duty abroad for short periods. The pilot, on an average therefore, was paid a salary starting with Rs. 3127 and ending, when he reached the maximum of the grade at Rs. 3,650.

21. As the result of the agreement arrived at on July 26, 1965, the basic salary became Rs. 1500-100-2000. The jet allowance was increased by Rs. 350, efficiency bonus by Rs. 100, command pay by Rs. 100 and radio telephone allowance by Rs. 100. Owing to the rise in the scale, the dearness allowance which at the lowest salary in the scale was Rs. 277 is increased to Rs. 300. The senior captain, therefore, now starts with a total salary of Rs. 4,000 and rises to the maximum of Rs. 4,500. As such, the agreement has increased the senior captain's salary by almost 28 per cent. If, however, the increase in jet allowance is left out of account because of the fact that jets had not been fully commissioned in April 1960, when the previous grades and allowances were fixed, then the increase is approximately 17 per cent.

22. The captains or first officers have also been benefited by the agreement of July 26, 1965 but in their case the increases have been less. Their original grade was Rs. 1050-100-1450. In addition, they received a jet

allowance of Rs. 400 overseas operations allowance of Rs. 275, R/T allowance of Rs. 100, navigational allowance of Rs. 100, dearness allowance varying from Rs. 232 to Rs. 272 and efficiency bonus of Rs. 100. Their total emoluments, therefore, ranged between the minimum of Rs. 2,257 and the maximum of Rs. 2,697. Under the agreement of July, 26, 1965, the grade has been increased to Rs. 1050-100-1650. The jet allowance has been increased to Rs. 600, efficiency bonus to Rs. 200 and R/T allowance also to Rs. 200. The dearness allowance varies from the minimum of Rs. 242 to Rs. 300. The total emoluments of a captain (first officer), therefore, now rises from the minimum of Rs. 2,667 to Rs. 3,325 exclusive of the minor items of travelling allowance and daily allowance when abroad. The increase in the pilots' pay, therefore, has been between 18 per cent and 23 per cent.

23. In the case of aircraft maintenance engineers, the agreement of October 15, 1965, has resulted in increases of their total emoluments of between 10 per cent. and 36 per cent. The original scale of Assistant Superintendents was Rs. 1000-100-1500 whereas the new scale is Rs. 1200-100-1700 together with a conveyance allowance of Rs. 100.

24. Grade I Aircraft Maintenance Engineers were originally in the scale of Rs. 750-50-1000-100-1300. Their new grade under the agreement is Rs. 1000-100-1500 and they are also paid a conveyance allowance of Rs. 50.

25. Grade II Aircraft Maintenance Engineers were in the scale of Rs. 600-50-900-50-1000 and their new scale under the agreement is Rs. 750-50-1000-100-1200 and a conveyance allowance of Rs. 50 is paid to them.

26. The scale of Grade III Aircraft Maintenance Engineers was Rs. 350-25-450-50-600 and their new grade is Rs. 400-25-450-50-800 and there have been corresponding increases in the dearness allowance because of the increase in the basic salary.

27. It may, therefore, be said that generally speaking the Aircraft Maintenance Engineers are benefited to the extent of between 10 per cent and 36 per cent as a result of the agreement arrived at between the parties.

28. A consequence of these two settlements is that the other workmen of the Corporation expect to get similar increases in their salaries, both because they feel that the Corporation will be able to bear the extra burden of these increases and also because they will resent being subjected to an invidious distinction by not being awarded similar benefits. It has been argued that the case of pilots and engineers is distinct from the case of other workmen because they are specialised and technical individuals who have a very high market value. But even among Parties No. 2 and 3, there are skilled persons who feel that they are entitled to similar increases for the same reason. They have cited in support of their case instances where even unskilled workers are paid higher salaries. Therefore the skilled workers or the clerical staff who though, in no way, specially trained for work in the Air-India Corporation feel that as members of the same body corporate, they are entitled to be treated as fairly and as liberally as the pilots and engineers who though standing in classes by themselves, are their colleagues and co-workers.

29. At this stage, I may give a few facts and figures which are relevant to the present enquiry. The following table gives the total wage bill of Air-India from the years 1958-59 to 1963-64:

Year	Account Head	Total Rupees	Total number of employees as on 31st March	Percentage increase in wage cost over the previous year	Percentage increase in the Number of employees over the previous year
1958-59 . . .	Pay, Allowances & Provident Fund Contri- butions.	2,42,80,702	4558	..	..
1959-60 . . .	Do.	2,71,28,276	4821	11.73	5.47
1960-61 . . .	Do.	3,50,02,704	5487	29.02	13.82
1961-62 . . .	Do.	4,07,31,018	5802	16.36	5.74
1962-63 . . .	Do.	4,41,00,416	5970	8.27	2.83
1963-64 . . .	Do.	5,17,95,197	6239	17.45	4.50

The total wage bill is thus seen to be 5.18 crores. Council for the Corporation has drawn my attention to the document M-45 which gives the additional burden of meeting the demands of all parties. The total comes to Rs. 3.867 crores made up of the various demands as follows:—

Party No. 2—Rs. 3.26 crores.

Party No. 3—Rs. 1.25 crores.

Party No. 4—Rs. .22 crores.

Party No. 5—Rs. .25 crores.

Party No. 6—Rs. 7,34,000.

Party No. 7—Rs. 5,79,000.

Since the demands of Party No. 3 are included in Party No. 2, this item should be excluded when adding the various demands to obtain the total. It will be seen that if the demands of all the parties are met fully, there will be a very great increase in the operational expenses. M-44 is a statement showing the total wage burden of the existing scales of pay and the scales of pay and dearness allowance as demanded by the workmen. The statement may be summarised as follows:

Parties	Existing burden of scale of pay plus D.A.	Additional burden of pay and D.A.
I	2	3
	Rs.	Rs.
Party No. 2	1,64,42,000	86,00,000
Party No. 3	1,44,34,000	48,68,000
Party No. 4	15,28,000	3,84,000
Party No. 5	21,00,000	4,34,000
Party No. 6	6,65,000	1,24,000
Party No. 7	6,98,000	89,000

30. I may now give the results of the agreements arrived at between the pilots and the engineers, i.e. Parties 4 and 5. According to the Corporation, the agreements which have been arrived at between the pilots and the aircraft maintenance engineers i.e. Parties 4 and 5, have imposed a heavy burden upon its finances. According to the statement (Exhibit M-45), the total demands of Party No. 4 would have entailed an additional expense of Rs. 22,11,720. The total burden actually assumed by the Corporation by the agreement of July 26, 1965, is alleged to be Rs. 14,84,000 (*vide* Exhibit M-63). This amount includes the additional burden upon all counts i.e. provident fund, lay-over allowance, etc.

31. In the same manner, the total demand of Party No. 5 is alleged to be Rs. 24,19,803 (*vide* Exhibit M-45) and the actual burden sustained by the agreement of October 15, 1965, is Rs. 6,09,800 (*vide* Exhibit M-112).

32. It seemed to me at first that these figures were somewhat inflated and the method of calculation given by the Corporation was not the actuarial method. However, the figures were not contested by the parties and I mention them here in order to show the divergence between the claims of the unions and the plea of the Corporation.

33. The Corporation also claims that it spends large amounts of money each year on the welfare benefits of its workers. In the year 1963-64, for instance, a sum of Rs. 11,30,745 was spent as the following table (Exhibit M-53) will show:

EXHIBIT M-53

Statement showing average expenditure per employee incurred by Air-India on welfare amenities

	Net amount of expenditure incurred on welfare amenities during 1963-64	Average No. of employees during 1963-64	Average expenditure per employee per month
	Rs.		Rs.
(1) Welfare expenses :			
(a) Medical expenses at Bombay and Outstations .	3,30,123	(3,00,000* outside India) 6101	15.44
(b) Expenses on Sports (including depreciation on equipment)	26,391		
(c) Expenses on Christmas Day and other Celebra- tions	55,218		
(d) Other expenses such as tea, refreshments, free/ concessional passages to staff on leave, etc. .	1,67,393	(2,000 *in Bombay)	
(e) Cash Awards to Staff	8,474		
	5,87,599		
(2) Works Canteen	1,80,955		
(3) Subsidised	1,43,287		
(4) Medical Clinic	1,12,462		
(5) Staff Housing Colony	199,936		
(6) Grain shop	6,506		
	11,30,745		

*These figures were not included in the exhibit, but were indicated during the course of arguments.

34. M-47 is a statement showing the ratio of wage costs to total costs in a number of industries including Air-India and the Indian Airlines Corporation.

EXHIBIT M-47

Statement showing the ratio of Wage Costs to Total Costs in Air-India, Indian Airlines Corporation and different undertakings in Private Sector during the year 1963-1964.

Sr. No.	Name of Organization	Total Cost	Wage Cost	Percenta of Col. 4 to Col. 3
		Rs.	Rs.	
1	2	3	4	5
(In lakhs)				
1.	Air-India	2293.72	*588.18	25.61
2.	Indian Airlines Corporation	1863.75	580.95	31.17
3.	Greaves Cotton & Co. Ltd.	1108.02	65.80	5.94
4.	Voltas Ltd.	3667.87	294.07	8.02
5.	Tata Oil Mills Co., Ltd.	1360.56	140.89	10.36
6.	Delhi Cloth and General Mills Co. Ltd.	5315.21	641.94	12.08
7.	Larsen & Toubro Ltd.	1168.40	145.41	12.45
8.	Guest, Keen, Williams, Ltd.	2548.43	376.35	14.77
9.	Associated Cement Companies, Ltd.	3679.55	668.86	18.18
10.	Indian Oxygen, Ltd.	1140.03	217.05	19.04

NOTE : 1. Wage Cost indicated under Col. 4 includes Salaries, Allowances and Employer's Contribution to Provident Fund or Pension Fund, as the case may be.

*2. The amount of Wage Cost in Air India indicated under Col. 4 includes charges for Technical/Traffic handling by other operators as per Items Nos. 2(e) and 3(f) of the Profit and Loss Account for the year ended 31st March, 1964—Page 26 of the Annual Report of Air India 1963-1964.

35. It will be seen from this table that the percentage of wage cost and total cost is the highest in the Indian Airlines Corporation, and the percentage of 25.61 in Air-India is much higher than in any of the industries mentioned in the statement, the next highest being Indian Oxygen Ltd. with a percentage of 19.4. The conclusion that might well be drawn from Exhibit M-47 is that the Air-India Corporation pays high wages to its workmen and its wage bill forms a very large portion of its operating expenditure.

36. Exhibit M-35 is another instructive statement. It shows the average *per capita* annual earnings of factory workers drawing Rs. 200 or less per month in various industries including Air-India.

EXHIBIT M-35

Statement showing average *per capita* annual earnings of Factory Workers drawing Rs. 200 or less per month in various Industries including Air-India

Industry	1959 Rs.	1961 Rs.	1962 Rs.
Textiles	1359	..*	1574
Cotton mills	1487	1637	..*
Jute mills	1057	1092	..*
Paper and paper products	1314	1254	1212
Rubber and rubber products	1284	1491	1402
Chemicals and chemical products	1393	1447	1410
Matches	1570	1218	..*
Products of petroleum and Coal	2246	1855	1797
Non-metallic mineral products	974	..*	981
Cement	1527	..*	..*
Basic metal industries	1532	1506	1555
Metal products	1278	1315	1367
Machinery except electrical	1293	..*	1418
Electrical machinery, etc.	1537	1493	1467
Transport equipment	1485	1548	1544
Electricity, gas and steam	1549	1572	1576
All Industries (inclusive of other industries not covered above)	1333	1408	1459
Air-India	1966	2228	2027

Source : Handbook of Labour Statistics published by the Employer's Federation of India (P. 20).

Statistical Outline of India published by the Tata Industries Private Ltd. (P. 39).

The Indian Labour Year Book (p. 44)

*Information not available.

The significance of this statement is that Air-India is paying good wages to its lower paid workers as compared with other industries. This fact is further emphasised by a study of a statement M-48 which gives a detailed statement of the wages drawn by various categories of workers in Air-India and the other industries. The comparison of the industries shows that except for one or two instances, Air-India pays much higher wages to similar categories of workmen. For instance, a cleaner in Air-India gets a minimum salary of Rs. 138 and a maximum salary of Rs. 209 whereas in many of the public sector industries such as Atomic Energy

Establishment, Bombay Municipal Corporation, Civil Aviation Department, Indian Oil Corporation, the minimum salary is no more than Rs. 120 or Rs. 120·50. In Hindustan Steel Ltd., the minimum salary is Rs. 90. There are 4 industries—2 in the public sector and 2 in the private sector—in which the minimum salary of a cleaner is higher than the salary paid by Air-India. But in all these cases, the maximum salary of Air-India is higher. The two industries in the public sector are Bombay Electric Supply and Transport Undertaking where the cleaner draws a minimum salary of Rs. 163·70 and a maximum salary Rs. 203·7. Mazagaon Dock Ltd. in which the minimum salary of the cleaner is Rs. 164·84 and the maximum salary Rs. 211·15. The two private sector undertakings are Premier Automobiles with a minimum salary of Rs. 160·60 and a maximum salary of Rs. 204·30 and Automobile Products of India, Ltd., where the cleaner draws a minimum salary of Rs. 163·20 and a maximum salary of Rs. 198·82. In the Textile Industry the wages are slightly higher, but there the salary drawn by a cleaner is a uniform wage of Rs. 171·07 and, therefore, there is no apt comparison. A Tracer in Air-India gets a minimum salary of Rs. 199 and maximum of Rs. 281. Mazagaon Dock Ltd. is the only industry which pays a higher salary *viz.*, a minimum of Rs. 220 and maximum Rs. 440. All the remaining 10 industries mentioned in this list pay the Tracer less than Air-India. A Typist in Air-India draws a minimum salary of Rs. 199 and maximum salary of Rs. 395. Of the 23 business concerns listed in M-48 (pages 1, 5 and 7) there are some that pay a higher starting salary but a lower maximum salary, and 5 which pay a higher starting salary and a higher maximum. Therefore, out of 22 industries with which a comparison had been made, in only 5 concerns is the Typist paid a higher salary throughout than in Air-India. These 5 are the Bombay Electric Supply and Transport Undertaking, Mazagaon Dock Ltd. and the State Bank of India in the public sector, Premier Automobile Ltd., Bombay and Richardson and Cruddas Ltd., Bombay in the private sector. It seems unnecessary to multiply instances and a close study of the voluminous statement, M-48, leads to the conclusion that Air-India is one of those industries which pays high salaries to various categories of workmen. By far the large majority of industries pay much lower wages for similar work done. The unions have stressed the fact that Air-India's financial position is very sound and it has increased its profits over the years. The document U-II/2 which is prepared from the annual statements of the Corporation gives the operational profits and the surplus carried to the appropriation account from the 1959-60 to 1963-64. The operating profit increased from Rs. 18,25,730 in the year 1959-60 to Rs. 3,45,44,148 in the year 1962-63. In 1963-64 the profit increased further to Rs. 3,84,24,651. There has been a slight decrease for the year 1964-65 on account of the extra burden imposed by the Interim Relief granted during these proceedings. The operating profit for the last year was Rs. 3·62 crores. The total disposable surplus, however, compared well with the previous year. The disposable profit in 1963-64 was Rs. 3·06 crores and during the year 1964-65 it was Rs. 3·07 crores. In the year 1965-66, a further improvement cannot be anticipated because expenses have been increased by the additional burden in salaries and allowances imposed by the agreements of the pilots and engineers. The position, however, is still satisfactory and it is this seeming affluence which prompts the workers' unions to make demands for substantial increases in their salaries.

37. After considering all the factors which must have a bearing on wage structure, I have come to the conclusion that the following scales of

pay and grades are not only just but generous. I also feel that the Corporation has the capacity to meet this additional liability. The general increase in the wages in the new scales set out below, is as uniform as it is possible to make it, and with the exception of a few unavoidable but no more than apparent inconsistencies, the benefits received by the various workmen are of the same measure. I have not considered it necessary to introduce the new grades suggested by Parties No. 2 and 3 because there is no justification for changing the pattern which was not only agreed to by the parties in 1960 but was obviously evolved after a great deal of deliberation over the nature of the duties performed by the various categories of persons and their position in the hierarchy of workers. A careful study of the present classification has driven me to the conviction that it is not only adequate but the only one possible, with the exception of flight engineers who must be upgraded to equate with the flight navigators for the reasons I have already set out in Chapter VI.

Grade No. 1

Assistant Cook, Canteen Vendor, Chowkidar, Watchman, Cleaner, Female Worker (Canteen), Gardener, Helper, Handyman, Kitchen Boy, Loader, Peon, Sweeper.

Present

New

Rs. 50—3—59—4—75—5—90

Rs. 100—5—150

38. The present scale is Rs. 50—3—59—4—75—5—90 with the appropriate dearness allowance mentioned in the Table (Appendix 'B') reproduced in the earlier part of this Chapter. The new Grade will be Rs. 100—5—150 with a uniform dearness allowance of Rs. 65 up to the basic wage of Rs. 145 and Rs. 70 for the maximum wage of Rs. 150. The minimum total emoluments of a workman in this Grade will be Rs. 165 rising by increment of Rs. 5 every year to a maximum of Rs. 220 after 10 years. This represents an increase of between Rs. 38 and Rs. 44 on the salaries received by workmen of this Grade before the present reference was made. The salaries now proposed are also higher than those received by these workmen after the interim relief was given. The percentage of benefit varies between 22.9 per cent and 34.1 per cent. The following Table sets out a complete picture giving the previous salary, the salary after the interim relief, the present position and the percentage of benefit at each stage:

TABLE I

Grade No.					Categories covered				
Present : 1					Assistant Cook, Canteen Vendor, Chowkidar, Watchman, Cleaner, Female Worker (Canteen), Gardener, Helper, Handyman, Kitchen Boy, Loader, Peon, Sweeper.				
New : 1									
Present scale					New scale				
50—3—59—4—75—5—90					100—5—150				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
50	73	123	15	138	100	65	165	42	34

1	2	3	4	5	6	7	8	9	10
53	75	128	34	162	105	65	170	42	33
56	76	132	34	166	110	65	175	43	33
59	77	136	35	171	115	65	180	44	32
63	78	141	35	177	120	65	185	44	31
67	80	147	35	182	125	65	190	43	29
71	81	152	36	188	130	65	195	43	28
75	83	158	36	195	135	65	200	42	27
80	85	165	37	202	140	65	205	40	24
85	87	172	37	209	145	65	210	38	28
90	89	179	37	216	150	70	220	41	23

39. It will be seen that the salaries I have proposed for this category of workmen compare favourably with the emoluments which are being paid to similar classes of employees by business concerns in the private sector, whereas, they are far higher than what workmen doing similar jobs in the public sector are receiving. The Bombay Electric Supply and Transport Undertaking, Bombay, and Mazagaon Dock Ltd., Bombay, have perhaps the most liberal policy of wage payments and even in their case, the minimum and maximum salaries paid to unskilled workmen are less than those I have proposed. The minimum total salary of an unskilled worker of Bombay Electric Supply and Transport Undertaking is Rs. 163·70 per mensem and the maximum Rs. 203·70. In Mazagaon Dock Ltd., the corresponding figures are Rs. 164·84 and Rs. 211·15 respectively, whereas, an unskilled worker in Air-India, will start his service with a total salary of Rs. 165 per mensem and the maximum of his grade will be Rs. 220 per mensem. The Premier Automobiles Ltd., Bombay, pay a minimum salary of Rs. 166·60 which is only slightly above the minimum proposed by me. But, their maximum being Rs. 204·30, is considerably less than the maximum of Rs. 220 which will obtain in Air-India. In the case of Reserve Bank of India, the minimum salary under the award of the National Industrial Tribunal, has been fixed at Rs. 170 per mensem for an unskilled worker but this amount includes the house rent allowance of Rs. 10 which matter has been considered separately in another part of this chapter. It will, therefore, be seen that unskilled workers in this category, in Air-India, will henceforth be better paid than their counterparts in all but one of the industries, public or private, listed in Exhibits M-40 and M-48, the solitary exception being the Reserve Bank of India.

40. It will be seen that in awarding dearness allowance, I have fixed wider slabs and transferred a considerable portion to the basic pay. The present basic pay has been increased from Rs. 50 to Rs. 100, but the dearness allowance has been reduced. This has been done in order to give some measure of additional benefit as has been given to the engineers and pilots. I have also taken into consideration the increased cost of living and the capacity of the industry to pay. The present wage will be, in my view, not only a fair wage but a living wage and it makes ample allowance for further increases in the cost of living index. This scale should need no revision for many years unless there is a catastrophic and unanticipated rise in prices. If there is a steep decline in the price of living index, the dearness allowance will be liable to be reduced and that is why I have not taken the full-blooded step of merging the entire dearness allowance into the salary although such a step might well have been consistent and in conformity with the practice prevailing in other countries. The following Table gives the dearness allowance at the various stages.

Plan of salary scales and dearness allowance for the workmen employed by Air-India.

100—5—150—10—200—15—245—20—385—25—560—40—720—50—1320—60—1500—100—1700											
Basic	D.A.	Total	Basic	D.A.	Total	Basic	D.A.	Total	Basic	D.A.	Total
100	65	165	200	75	275	510	90	600	1170	100	1270
5			15								
105	65	170	215	75	290	535	90	625	1220	100	1320
110	65	175	230	75	305	560	90	650	1270	100	1370
						40					
115	65	180	245	75	320	600	90	690	1320	100	1420
			20						50		
120	65	185	265	75	340	640	90	730	1380	100	1480
125	65	190	285	75	360	680	95	775	1440	100	1540
130	65	195	305	80	385	720	95	815	1500	100	1600
						50			100		
135	65	200	325	80	405	770	95	865	1600	100	1700
140	65	205	345	80	425	820	95	915	1700	100	1800
145	65	210	365	80	445	870	95	965			
150	70	220	385	80	465	920	100	1020			
10			25								
160	70	230	410	85	495	970	100	1070			
170	70	240	435	85	520	1020	100	1120			
180	70	250	460	85	545	1070	100	1170			
190	70	260	485	85	470	1120	100	1220			

41. It will be seen from the preceding statement that there is a uniform scale running through all the grades, *viz.* 100—5—150—10—200—15—245—20—385—25—560—40—720—50—1320—60—1500—100—1700. This will show that a workman drawing equal salaries will now receive equal increments in their pay scales as also equal dearness allowance. It will also facilitate the determination of position in each scale. The remaining grades may now be set out without further explanation except that I have made no award with regard to Captains and Senior Captains represented by Party No. 4 and Aircraft Maintenance Engineers Grades I to III and Assistant Superintendents represented by Party No. 5 because their cases are covered entirely by the agreements of July 26, 1965 and October 15, 1965 respectively (Appendices IV and V). Their grades have, however, also been indicated in the tables which follow (new grades 21, 24, 25, 27, 28 and 29). These tables have been prepared on the same pattern as Table 1 regarding grade 1 on pages 297-298 and they set out a complete picture giving the previous salary, the salary after interim relief (including *ad hoc* increments) and the new scales with the percentage of benefit at each stage.

TABLE 2

Grade No.	Categories covered
Present : 2	Cook, Heads of Employeess in Grade (1)
New : 2	

Present scale 70-5-100-10-120					New scale 130-5-150-10-190				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
70	81	151	37	188	130	65	195	44	29
75	83	158	37	195	135	65	200	42	27
80	85	165	37	202	140	65	205	40	22
85	87	172	37	209	145	65	210	38	22
90	89	179	37	216	150	70	220	41	23
95	91	186	37	223	160	70	230	44	24
100	93	193	38	231	170	70	240	47	24
110	96	206	37	243	180	70	250	44	21
120	98	218	38	256	190	70	260	42	19

TABLE 3

Grade No.

Categories covered

Present : 3

Dresser, Driver, Head Cook, Loading Supervisor, Printers,
Assistant.

New : 3

Present scale 90-5-100-10-150					New scale 150-10-200-15-230				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
90	89	179	37	216	150	70	220	41	23
95	91	186	37	223	160	70	230	44	24
100	93	193	38	231	170	70	240	47	24
110	96	206	37	243	180	70	250	44	21
120	98	218	38	256	190	70	260	42	19
130	101	231	37	268	200	75	275	44	19
140	103	243	38	281	215	75	290	47	19
150	106	256	37	293	230	75	305	49	19

It will be seen that the workmen in this category are now better off than similar workmen in other industries. A driver in the Indian Telephone Industries, Bombay Electric Supply and Mazagon Dock Limited receives starting salary of less than the proposed salary of Rs. 220. The maximum salary in two instances is higher but it seems to me that the total benefits over the years is in favour of Air India. The maximum salaries of drivers in other concerns are well below the maximum of Rs. 305 proposed by me.

TABLE 4

Grade No.		Categories covered
Present :	4	Junior Canteen Assistant, Junior Catering Assistant, Junior Cargo Assistant, Junior Clerk, Junior Compounder, Junior Comptist, Junior Mails Assistant, Junior Puncher, Junior Telephone Operator, Junior Teleprinter Operator, Junior Time Keeper, Junior Traffic Assistant, Tracer, Typist, Typist/Clerk.
New :	4	

Present scale					New scale				
90-5-100-10-150-15-240					150-10-200-15-245-20-345				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
90	89	179	37	216	150	70	220	41	23
95	91	186	37	223	160	70	230	44	24
100	93	193	38	231	170	70	240	47	24
110	96	206	37	243	180	70	250	44	21
120	98	218	38	256	190	70	260	42	19
130	101	231	37	268	200	75	275	44	19
140	103	243	38	281	215	75	290	47	19
150	106	256	44	300	230	75	305	49	19
165	110	275	43	318	245	75	320	45	16
180	113	293	44	337	265	75	340	47	16
195	117	312	48	360	285	75	360	48	15
210	125	335	43	378	305	80	385	50	15
225	128	353	43	396	325	80	405	52	15
240	131	371	38	409	345	80	425	54	15

TABLE 5

Grade No.

Categories covered

Present : 5 Junior Printer, Junior Progress Clerk, Junior Storekeeper.

New : 5

Present scale					New scale				
100-10-150-15-195-20-255					180-10-200-15-245-20-365				
I	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
100	93	193	38	231	180	70	250	57	30
110	96	206	37	243	190	70	260	54	26
120	98	218	38	256	200	75	275	57	26
130	101	231	37	368	215	75	290	59	26
140	103	243	38	281	230	75	305	62	26
150	106	256	44	300	245	75	320	64	25
165	110	275	43	318	265	75	340	65	24
180	113	293	44	337	285	75	360	67	23
195	117	312	54	366	305	80	385	73	23
215	126	341	49	390	325	80	405	64	19
235	130	365	44	409	345	80	425	63	17
255	134	389	44	433	365	80	445	56	14]

TABLE 6

Categories covered

Present : Grade No.
6

Senior/Head Driver.

New : 6

Present scale					New scale				
120-10-150-15-225					200-15-245-20-345				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
120	98	218	38	256	200	75	275	57	26
130	101	231	37	268	215	75	290	59	26
140	103	243	38	281	230	75	305	62	26
150	106	256	44	300	245	75	320	64	25
165	110	275	43	318	265	75	340	65	24
180	113	293	44	337	285	75	360	67	23
195	117	312	48	360	305	80	385	73	23
210	125	335	43	378	325	80	405	70	21
225	128	353	43	396	345	80	425	72	20

TABLE 7

Categories covered

Present : Grade No.
7

Yard Supervisor.

New : 7

Present scale					New scale				
140-10-170-15-215-20-295					230-15-245-20-385-25-435				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
140	103	243	38	281	230	75	305	62	26
150	106	256	37	293	245	75	320	64	25

1	2	3	4	5	6	7	8	9	10
160	108	268	38	306	265	75	340	72	27
170	111	281	44	325	285	75	360	79	28
185	115	300	43	343	305	80	385	85	28
200	118	318	48	366	325	80	405	87	27
215	126	341	49	390	345	80	425	84	25
235	130	365	44	409	365	80	445	80	22
255	134	389	44	433	385	80	465	76	20
275	138	413	43	456	410	85	495	82	20
295	141	436	43	479	435	85	520	84	19

TABLE 8

*Grade No.**Categories covered*

Present : 8(a)

Mukadam, Carpenter, Tailor, Mason, Plumber, Mechanic
(Cabin Service)

New : 8

Present scale					New scale				
120-10-140-15-215-20-315-EB-20-375					200-15-245-20-385-25-510				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
120	98	218	38	256	200	75	275	57	26
130	101	231	37	268	215	75	290	59	26
140	103	243	44	287	230	75	305	62	26
155	107	262	44	306	245	75	320	58	22

1	2	3	4	5	6	7	8	9	10
170	111	281	44	325	265	75	340	59	21
185	115	300	43	343	285	75	360	60	20
200	118	318	48	366	305	80	385	67	21
215	126	341	49	390	325	80	405	64	19
235	130	365	44	409	345	80	425	60	16
255	134	389	44	433	365	80	445	56	14
275	138	413	43	456	385	80	465	52	13
295	141	436	43	479	410	85	495	59	14
315	144	459	42	501	435	85	520	61	13
335	146	481	37	518	460	85	545	64	13
355	148	503	40	543	485	85	570	67	13
375	153	528	38	566	510	90	600	72	14

TABLE 9

Grade No.

Categories covered

Present : 8(b) Electrician (Plant), Bench Fitters (Plant & Stores), Mechanics (Plant, Air conditioning & Teleprinter), Turners, Non-licensed Welders, Machinist, Miller, Painter (Plant, Transport & Stores), Tinsmith (Plant & Transport), Blacksmith.

New : 9

Present scale					New scale				
155-15-215-20-375					245-20-385-25 510				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
155	107	262	44	306	245	75	320	58	22
170	111	281	44	325	265	75	340	59	21

1	2	3	4	5	6	7	8	9	10
185	115	300	43	343	285	75	360	60	20
200	118	318	48	366	305	80	385	67	21
215	126	341	49	390	325	80	405	64	19
235	130	365	44	409	345	80	425	60	16
255	134	389	44	433	365	80	445	56	14
275	138	413	43	456	385	80	465	52	13
295	141	436	43	479	410	85	495	59	14
315	144	459	42	501	435	85	520	61	13
335	146	481	37	518	460	85	545	64	13
355	148	503	40	543	485	85	570	67	13
375	153	528	38	566	510	90	600	72	14

TABLE 10

Grade No.

Categories covered.

Present : 9

New : 10

Briefing Assistant, Junior Artist, Ramp Supervisor, Senior Catering Assistant, Senior Cargo Assistant, Senior Clerk, Senior Clearing Clerk, Senior Compounder, Senior Comptist, Junior Livestock Attendant, Junior Security Assistant, Senior Mails Assistant, Senior Telephone Operator, Senior Teleprinter Operator, Senior Puncher, Senior Time Keeper, Senior Traffic Assistant, Stock Verifier, Supervisor-cum-Clerk, Transport Assistant.

Present scale					New scale				
140-10-150-15-225-20-365					230-15-245-20-385-25-510				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
140	103	243	38	281	230	75	305	62	26
150	106	256	44	300	245	75	320	64	25

1	2	3	4	5	6	7	8	9	10
165	110	275	43	318	265	75	340	65	24
180	113	293	44	337	285	75	360	67	23
195	117	312	48	360	305	80	385	73	23
210	125	335	43	378	325	80	405	70	21
225	128	353	49	402	345	80	425	72	20
245	132	377	44	421	365	80	445	68	18
265	136	401	44	445	385	80	465	64	16
285	140	425	43	468	410	85	495	70	17
305	143	448	42	490	435	85	520	72	16
325	145	470	43	512	460	85	545	75	16
345	147	492	39	531	485	85	570	78	16
365	151	516	39	555	510	90	600	84	16

TABLE II

Grade No.

Categories covered.

Present : 10

Senior Progress Clerk

New : 9

Present scale					New scale				
150-15-225-20-365					245-20-385-25-510				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
150	106	256	44	300	245	75	320	64	25
165	110	275	43	318	265	75	340	65	24

1	2	3	4	5	6	7	8	9	10
180	113	293	44	337	285	75	360	67	23
195	117	312	48	360	305	80	385	73	32
210	125	335	43	378	325	80	405	70	21
225	128	353	49	402	345	80	425	72	20
245	132	377	44	421	365	80	445	68	18
265	136	401	44	445	385	80	465	64	16
285	140	425	43	468	410	85	495	70	17
305	143	448	42	490	435	85	520	72	16
325	145	470	42	512	460	85	545	75	16
345	147	492	39	531	485	85	570	78	16
365	151	516	39	555	510	90	600	84	16

TABLE 12

Grade No.

Categories covered.

Present : II

Senior Printer, Senior Storekeeper.

New : II

Present scale					New scale				
150-15-225-20-385					245-20-385-25-535				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
150	106	256	44	300	245	75	320	64	25
165	110	275	43	318	265	75	340	65	24
180	113	293	44	337	285	75	360	67	23

1	2	3	4	5	6	7	8	9	10
195	117	312	48	360	305	80	385	73	23
210	125	335	43	378	325	80	405	70	21
225	128	353	49	402	345	80	425	72	20
245	132	377	44	421	365	80	445	68	18
265	136	401	44	445	385	80	465	64	16
285	140	425	43	468	410	85	495	70	17
305	143	448	42	490	435	85	520	72	16
325	145	470	42	512	460	85	545	75	16
345	147	492	39	531	485	85	570	78	16
365	151	516	39	555	510	90	600	84	16
385	155	540	37	577	535	90	625	85	16

TABLE 13

*Grade No.**Categories covered.*

Present : 12

Stenographer.

New : 12

Present scale					New scale				
140-10-150-15-225-20-405					230-15-245-20-385-25-560				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
140	103	243	38	281	230	75	305	62	26
150	106	256	44	300	245	75	320	64	25
165	110	275	43	318	265	75	340	65	24
180	113	293	44	337	285	75	360	67	23

1	2	3	4	5	6	7	8	9	10
195	117	312	48	360	305	80	385	73	23
210	125	335	43	378	325	80	405	75	21
225	128	353	49	402	345	80	425	72	20
245	132	377	44	421	365	80	445	68	18
265	136	401	44	445	385	80	465	64	16
285	140	425	43	468	410	85	495	70	16
305	143	448	42	490	435	85	520	72	16
325	145	470	42	512	460	85	545	75	16
345	147	492	39	531	485	85	570	78	16
365	151	516	39	555	510	90	600	84	16
385	155	540	37	577	535	90	625	85	16
405	157	562	40	602	560	90	650	88	16

TABLE 14

Grade No.

Categories covered.

Present : 13

Cashier, Draughtsman.

New : 13

Present scale					New scale				
Rs. 165-15-225-20-345-25-395					Rs. 265-20-385-25-535				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
165	110	275	43	318	265	75	340	65	24
180	113	293	44	337	285	75	360	67	23

1	2	3	4	5	6	7	8	9	10
195	117	312	48	360	305	80	385	73	23
210	125	335	43	378	325	80	405	70	21
225	128	353	49	402	345	80	425	72	20
245	132	377	44	421	365	80	445	68	18
265	136	401	44	445	385	80	465	64	16
285	140	425	43	468	410	85	495	70	16
305	143	448	42	490	435	85	520	72	16
325	145	470	42	512	460	85	545	75	16
345	147	492	45	537	485	85	570	78	16
370	152	522	44	566	510	90	600	78	15
395	156	551	45	596	535	90	625	74	13

TABLE 15

Grade No.

Categories covered.

Present : 14	Assistant Cabin Supervisor, Assistant Transport Supervisor, Senior Canteen Assistant, Senior Livestock Attendant, Chief Catering Assistant, Chief Cargo Assistant, Chief Customs Clerk, Chief Grain Shop Clerk, Chief Printer, Chief Telephone Operator, Chief Teleprinter Operator, Chief Traffic Assistant, Librarian, Office Assistant, Section Storekeeper, Senior Security Assistant, Technical Assistant, Operation Assistant.
New : 14	

Present scale					New scale				
Rs. 180-15-225-20-345-25-420					Rs. 285-20-385-25-560				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
180	113	293	44	337	285	75	360	67	23
195	117	312	48	360	305	80	385	73	23

1	2	3	4	5	6	7	8	9	10
210	125	335	43	378	325	80	405	70	21
225	128	353	49	402	345	80	425	72	20
245	132	377	44	421	365	80	445	68	18
265	136	401	44	445	385	80	465	64	16
285	140	425	43	468	410	85	495	70	16
305	143	448	42	490	435	85	520	72	16
325	145	470	42	512	460	85	545	75	16
345	147	492	45	537	485	85	570	78	16
370	152	522	44	566	510	90	600	78	15
395	156	551	45	596	535	90	625	74	13
420	161	581	44	625	560	90	650	69	12

TABLE 16

Grade No.

Categories covered.

Present : 16

Receptionist.

New : 15

Present scale					New scale				
Rs. 260-20-340					Rs. 410-25-510				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
260	135	395	44	439	410	85	495	100	25
280	139	419	44	463	435	85	520	101	24

1	2	3	4	5	6	7	8	9	10
300	143	443	41	484	460	85	545	102	23
320	144	464	42	506	485	85	570	106	23
340	146	486	39	525	510	90	600	114	24

It will be remembered that in the Charter of Demands, Party No. 2 claimed the pay scale of Rs. 350—25—450—50—700. In the written statement this was increased to the scale of Rs. 450—25—500—50—950. The grade awarded by me is Rs. 410—25—510. It is more advantageous than the grade proposed in the Charter of Demands and only a little less than the grade claimed in the written statement. There is a diminution on account of part of the dearness allowance having been merged in the pay, but the total minimum salary of Rs. 495 and a maximum salary of Rs. 600 is, in my view, adequate having regard to the nature of the Receptionist's duties. The increase, it will be seen, varies between 23 per cent and 25 per cent.

TABLE 17

Grade No.		Categories covered.							
Present :	17	Leading Hand Teleprinter Technicians Radio Technician Gr. I Works Supervisor Welders with 2 licences.							
New :	16								
Present scale					New scale				
Rs. 195-15-225-20-305-25-430					Rs. 325-20-385-25-560-40-600				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
195	117	312	48	360	325	80	405	93	3
210	125	335	43	378	345	80	425	90	27
225	128	353	49	402	365	80	445	92	26
245	132	377	44	421	385	80	465	88	23
265	136	401	44	445	410	85	495	94	23

1	2	3	4	5	6	7	8	9	10
285	140	425	43	468	435	85	520	95	22
305	143	448	47	495	460	85	545	97	22
330	145	475	43	518	485	85	570	95	20
355	148	503	45	548	510	90	600	97	19
380	153	533	44	577	535	90	625	92	17
405	157	562	45	607	560	90	650	88	16
430	162	592	44	636	600	90	690	98	17

TABLE 18

Grade No.

Categories covered

Present : 18

Assistant Flight Purser

New : 17

Present scale Rs. 250-25-400					New scale Rs. 385-25-535				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
250	133	383	50	433	385	80	465	82	21
275	138	413	50	463	410	85	495	82	20
300	143	443	47	490	435	85	520	77	17
325	145	470	48	518	460	85	545	75	16
350	148	498	45	543	485	85	570	72	14
375	153	528	44	572	510	90	600	72	14
400	157	557	45	602	535	90	625	68	12

NOTE.— Employees in this grade get an additional jet allowance of Rs. 50/- p.m. The percentage of increase in their total emoluments is therefore substantially higher than the figures in column 10 above.

Objection to the Treatment of Certain Categories as Workman

42. I may, at this stage, dispose of an objection raised on behalf of Air-India regarding the competency of this Tribunal to deal with the case of certain categories of employees on the ground that they do not fall within the definition of "workman" as set out in the Industrial Disputes Act, 1947.

43. In paragraph 57, of the replication filed by Air-India, it was contended that the following categories of employees are not "workmen":

- (i) Dispensary Supervisor,
- (ii) Catering Officer,
- (iii) Assistant Security Officer,
- (iv) Supervisor of Telephones,
- (v) Teleprinter Supervisor,
- (vi) Junior Officer,
- (vii) Progress Supervisor, and
- (viii) Chief Timekeeper, etc.

The use of the word 'etc.' after Chief Timekeeper, seemed to imply that the Corporation also had in mind, other categories of employees not mentioned in paragraph 57 and who were also to be excluded from the scope of these proceedings.

44. Later, in its letter No. AI/NT/522 dated May 17, 1965, the Corporation contended that the following five categories of employees were not "Workmen" and their case could not be considered by this Tribunal:

- (i) Junior Technical Officer,
- (ii) Technical Officer,
- (iii) Senior Technical Officer,
- (iv) Assistant Chief Flight Purser, and
- (v) Assistant Chief Air Hostess.

45. Finally, in its letter No. AI/NT/528 dated May 20, 1965, some more categories of employees were enumerated and with regard to these also, an objection on the same ground was taken:

- (i) Chief Artist,
- (ii) Assistant Chief Flight Purser,
- (iii) Assistant Chief Air Hostess,
- (iv) Junior Officer,
- (v) Junior Accountant,
- (vi) Section Officer,
- (vii) Chief Timekeeper,
- (viii) Security Inspector, and
- (ix) Planner.

46. It will be observed that there is a certain measure of overlapping in the three lists given above. For instance, Assistant Chief Flight Purser and Assistant Chief Air Hostess figure in both the letters of May 17 and 20, 1965. Junior Officer figures in paragraph 57 of the replication as also in the letter of May 20, 1965. This repetition, however, has no bearing on the validity of the argument and I now proceed to consider the objection.

47. The objection was repelled on behalf of the Union and in Exhibit U-II/46 filed before the Tribunal, the Union advanced the following argument:

"The Corporation contends that these categories of persons are not workmen under the Act. The Union denies the same and states that they are workmen as defined under the Act and are also covered by the definition of the word industrial Dispute. The scales of pay of these categories have been agreed upon in the previous adjudication and have been the subject matter in the award of arbitration and the said award has been implemented by the Corporation...."

In his argument before the Tribunal, Mr. Dudhia relied upon the judgement of the Supreme Court made in the All-India Reserve Bank Employees' Association and another v. The Reserve Bank of India and another and contended that workmen who are directly and substantially interested in an industrial dispute, can include within the reference a dispute on behalf of any person with whose terms of employment or conditions of labour their own dispute is connected.

48. The contention that many of the employees with regard to whom an objection was taken by the Corporation had been the subject matter of the previous reference to the Committee of Arbitration and the subsequent award based upon a settlement, is somewhat exaggerated. I find, on referring to the agreement of April 1, 1959 and May 9, 1960, that only three of the employees mentioned in paragraph 57 of the replication of the management, were included in the previous proceedings. Assistant Security Officer and Chief Timekeeper figure both in the agreements of April 1, 1959 and May 9, 1960. Junior Officer figures in the agreement of May 9, 1960. The cases of the remaining five employees were not considered at that time.

49. With regard to some of the employees, the Corporation has conceded that it would be prepared to accept the award of this Tribunal when they fell under certain categories. In paragraph 70 of the replication, the Corporation observed:

"With regard to the suggestion made for the revision of grades of officers other than AMEs who are not workmen, the Corporation submits that any proposal in this behalf is *ultra vires* of the Industrial Disputes Act and outside the jurisdiction of the Honourable Tribunal. However, if as a result of the Award made by this Honourable Tribunal, the scales of pay of AMEs are revised in any manner, it would be for the Corporation to consider as to how the existing grades of these managerial posts should be dealt with in consequential revision."

The categories which are covered by this offer of the Corporation are (i) Junior Technical Officer who is placed in Grade 23 along with AMEs Grade III, (ii) Technical Officer who is in Grade 27 along with AMEs Grade II and (iii) Senior Technical Officer at present in Grade 28 along with AMEs Grade I. Therefore, according to the offer made by the Corporation, when the salary scales of Grades 23, 27 and 28 in so far as they relate to AMEs are revised either by an award of this Tribunal or as a result of an agreement reached between the parties, the three above-mentioned officers would also enjoy the benefit of the new scales. This is how I read the offer made by the Corporation in paragraph 70 of the replication.

50. With regard to the remaining categories, I may mention the case of the Assistant Chief Flight Purser who is placed in the same grade as the Flight Purser. The Flight Purser being admittedly a "workman", will not be preferred to the Assistant Chief Flight Purser merely on the ground that the latter does supervisory work. This is so quite apart from the argument that the Assistant Chief Flight Purser will almost invariably be promoted from the grade of Flight Purser and Assistant Flight Purser both of whom are admittedly workmen within the scope of the Industrial Disputes Act, and therefore his case can be taken up by the workmen as being 'connected' with them. Similar remarks apply to the Assistant Chief Air Hostess in grade 22 who enjoys the same pay scale as the Air Hostess and from whom, therefore, her case cannot be distinguished when the pay scales have to be revised.

51. With regard to all these employees, the contention of the Unions is that the principle laid down by the Supreme Court in the Reserve Bank of India case as also in the Dimakuchi Tea Estate case applies. It seems to me that this argument has considerable force and I, therefore, need not consider the nature of the functions performed by these employees because the Supreme Court's decisions in the two abovementioned cases completely dispose of the objection raised on behalf of the Corporation.

52. In the Dimakuchi Tea Estate case, it was laid down that when the workmen raise an industrial dispute against an employer, the person regarding whom the dispute is raised, need not strictly be a "workman" but may be one in whose terms of employment or conditions of labour, the workmen raising the dispute have a direct and substantial interest.

53. In the Reserve Bank case, the Supreme Court was considering whether the conditions of service of certain categories of employees could be brought within the scope of the Industrial Tribunal's enquiry. After referring to the Dimakuchi Tea Estate case, the Supreme Court observed:

"The definition of 'industrial dispute' in s. 2 (k), which we have set out before, contemplates a dispute between:

- (a) employers and employers;
- or (b) employers and workmen;
- or (c) workmen and workmen;

but it must be a dispute which is connected with the employment or non-employment or the terms of employment or with the conditions of labour of *any person*. The word 'person' has not been limited to 'workman' as such and must, therefore, receive a more general meaning. . . . Workmen can, for example, raise a dispute that a class of employees not within the definition of workman should be recruited by promotion from workmen. When they do so the workmen raise a dispute about the terms of *their own employment* though incidentally the terms of employment of those who are not workmen is involved. But workmen cannot take up a dispute in respect of a class of employees who are not workmen and in whose terms of employment those workmen have no direct interest of their own. What direct interest suffices is a question of fact but it must be a real and positive interest and not fanciful or remote."

This principle when applied to the case of the five categories mentioned above brings the conditions of service of these employees within the scope of my enquiry because employees in all the abovementioned categories may be promoted from amongst the employees who are strictly

"workmen" within the definition set out in the Industrial Disputes Act. Their conditions of service are intimately connected with the conditions of service of other categories and it is clear beyond doubt that these employees are persons in whom the workmen are substantially interested.

54. Summing up therefore, it is seen that three categories of employees were included in the previous arbitration and an award made on the basis of the settlement between the parties. With regard to these three, therefore, the Corporation has, in the previous agreement, conceded that they were "workmen" who could raise an industrial dispute with the Corporation. With regard to three others, the Corporation offered to revise their pay-scales in conformity with the grades in which they fell. With regard to all, the principle laid down by the Supreme Court in the two abovementioned cases applies, and therefore, the case of these persons and the demands made on their behalf cannot be excluded from the terms of the present reference. The objection of the Corporation is, therefore, over-ruled and these categories are included in the grades which follow.

TABLE 19

Grade No.					Categories covered				
Present :	20				Assistant Artist, Assistant Security Officer, Catering Officer, Dispensary Supervisor, Filing Supervisor, Gardening Supervisor, Incharge-Puncher, Personal Assistant/Secretary, Production Assistant, Progress Supervisor, Senior Draftsman, Supervisor Telephones, Teleprinter Supervisor, Assistant Security-cum-Fire Brigade Officer, Supervisor Communications.				
New :	18								
Present scale					New scale				
Rs. 275—25—350					Rs. 410—25—560—40—720				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
275	138	413	50	463	410	85	495	82	20
300	143	443	47	490	435	85	520	77	17
325	145	470	48	518	460	85	545	75	16
350	148	498	45	543	485	85	570	72	14
375	153	528	44	572	510	90	600	72	14
400	157	557	45	602	535	90	625	68	12
425	162	587	44	631	560	90	650	63	11

	2	3	4	5	6	7	8	9	10
450	166	616	44	660	600	90	690	74	12
[475	170	645	45	690	640	90	730	85	13
500	175	675	43	718	680	95	775	100	15
525	178	703	43	746	720	95	815	112	16
550	181	731	40	771		5	815	112	11

TABLE 20

	Grade No.	Categories covered
Present :	21	Chargehand
		Examiner
New :	19	Transport Foreman
		Works Inspector

Present scale					New scale				
Rs. 250—25—450—50—600					Rs. 410—25—560—40—720—50—770				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
250	133	383	50	433	410	85	495	112	29
275	138	413	50	463	435	85	520	107	26
300	143	443	47	490	460	85	545	102	23
325	145	470	48	518	485	85	570	100	21
350	148	498	45	543	510	90	600	102	20
375	153	528	44	572	535	90	625	97	18
400	157	557	45	602	560	90	650	93	17
425	162	587	44	631	600	90	690	103	18
450	166	616	74	690	640	90	730	114	19

1	2	3	4	5	6	7	8	9	10
500	175	675	71	746	680	95	775	100	15
550	181	731	71	802	720	95	815	84	11
600	187	787	65	852	770	95	865	78	10

TABLE 21

Grade No.

Categories covered

Present : 22

Air Hostess

New : 20

Assistant Chief Air Hostess

Present scale					New scale				
Rs. 350—25—550					Rs. 485—25—560—40—720—50—770				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
350	148	498	45	543	485	85	570	72	14
375	153	528	44	572	510	90	600	72	14
400	157	557	45	602	535	90	625	68	12
425	162	587	44	631	560	90	650	63	11
450	166	616	44	660	600	90	690	74	12
475	170	645	45	690	640	90	730	85	13
500	175	675	43	718	680	95	775	100	15
525	178	703	43	746	720	95	815	112	16
550	181	731	40	771	770	95	865	134	18

NOTE.—Employees in this grade get an additional jet allowance of Rs. 750 p.m. The percentage of increase in their total emoluments is therefore substantially higher than the figures in column 10 above.

TABLE 22

Grade No.					Categories covered				
Present : 23					A.M.E. Grade III, Junior Simulator				
New : 21					Maintenance Engineer, Junior Technical Officer, Radio A.M.E. III/Junior Radio Inspector.				
Present scale					New scale (Agreement)				
Rs. 325—25—450—50—600					Rs. 400—25—450—50—800				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
350	148	498	45	543	400	157	557	59	12
375	153	528	44	572	425	162	587	59	11
400	157	557	45	602	450	166	616	59	11
425	162	587	44	631	500	175	675	88	15
450	166	616	74	690	550	181	731	115	19
500	175	675	71	746	600	187	787	112	17
550	181	731	71	802	650	187	837	106	15
600	187	787	65	852	700	187	887	100	13
					750	187	937		
					800	192	992		

TABLE 23

Grade No.					Categories covered				
Present : 24					Chief Artist				
New : 22					Planner				
					Junior Officer				
					Chief Time Keeper				
					Junior Accountant				
					Section Officer				
					Security Inspector				
Present scale					New scale				
Rs. 300—25—500—50—650					Rs. 460—25—560—40—720—50—870				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
300	143	443	47	490	460	85	545	102	23

1	2	3	4	5	6	7	8	9	10
325	145	470	48	518	485	85	570	100	21
350	148	498	45	543	510	90	600	102	20
375	153	528	44	572	535	90	625	97	18
400	157	557	45	602	560	90	650	93	17
425	162	587	44	631	600	90	690	103	18
450	166	616	44	660	640	90	730	114	19
475	170	645	45	690	680	95	775	130	20
500	175	675	43	718	720	95	815	140	21
550	181	731	71	802	770	95	865	134	18
600	187	787	65	852	820	95	915	128	16
650	187	837	50	887	870	95	965	128	15

TABLE 24

Grade No.

Present : 25

New : 23

Categories covered

Flight Purser
Senior Check Purser
Assistant Chief Flight
Purser.

Present scale

Rs. 350—25—550—50—650

New scale

Rs. 485—25—560—40—720—50—870

1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
350	148	498	45	543	485	85	570	72	14
375	153	528	44	572	510	90	600	72	14
400	157	557	45	602	535	90	625	68	12

1	2	3	4	5	6	7	8	9	10
425	162	587	44	631	560	90	650	63	11
450	166	616	44	660	600	90	690	74	12
475	170	645	45	690	640	90	730	85	13
500	175	675	43	718	680	95	775	100	15
525	178	703	43	746	720	95	815	112	16
550	181	731	71	802	770	95	865	134	18
600	187	787	65	852	820	95	915	128	16
650	187	837	50	887	870	95	965	128	15

NOTE.—Employees in this grade get an additional jet allowance of Rs. 50/- p.m. The percentage of increase in their total emoluments is therefore substantially higher than the figures in column 10 above.

TABLE 25

Grade No.	Categories covered
Present : 27 (i)	A.M.E. Grade II, Radio A.M.E.
New : 24.	Grade II, Technical Officer.

Present scale					New scale (Agreement)				
Rs. 600—50—900—EB—50—1000					Rs. 750—50—1000—100—1200				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
600	187	787	65	852	750	187	937	150	19
650	187	837	50	887	800	192	992	155	19
700	187	887	..	887	850	198	1048	161	18

1	2	3	4	5	6	7	8	9	10
750	187	937	..	937	900	205	1105	168	18
800	192	992	..	992	950	211	1161	169	17
850	198	1048	..	1048	1000	217	1217	169	16
900	205	1105	..	1105	1100	227	1327	222	20
950	211	1161	..	1161	1200	237	1437	276	24
1000	217	1317		1317					

TABLE 26

Grade No.

Categories covered

Present : 28

A.M.E. Grade I, A.R.M.E. Grade I,
Senior Technical Officer.

New : 25

Present scale					New scale (Agreement)				
Rs. 750—50—1000—100—1300					Rs. 1000—100—1500				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
750	187 50	937	..	937	1000	217	1217	280	30
800	192	992	..	992	1100	227	1327	335	34
850	198	1048	..	1048	1200	237	1437	389	37
900	205	1105	..	1105	1300	247	1547	442	40
950	211	1161	..	1161	1400	257	1657	496	43
1000	217	1217	..	1217	1500	267	1767	550	45

1	2	3	4	5	6	7	8	9	10
1100	227	1327	..	1327					
1200	237	1437	..	1437					
1300	247	1547	..	1547					

TABLE 27

Grade No.

Categories covered

Present : 29

Navigator

New : 26

Flight Engineer

Present scale (Navigator)					New scale				
Rs. 950—50—1050—100—1450					Rs. 1270—50—1320—60—1500—100—1700				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
950	211	1161	..	1161	1270	100	1370	209	18
1000	217	1217	..	1217	1320	100	1420	203	17
1050	222	1272	..	1272	1380	100	1480	208	16
1150	232	1382	..	1382	1440	100	1540	158	14
1250	242	1432	..	1492	1500	100	1600	108	7
1350	252	1602	..	1602	1600	100	1700	98	6
1450	262	1712	..	1712	1700	100	1800	88	5

Present scale (Flight Engineer)					New scale				
Rs. 750—50—1000—100—1300					Rs. 1270—50—1320—60—1500—100—1700				
1	2	3	4	5	6	7	8	9	10
750	187	937	..	937	1270	100	1370	433	46
800	192	992	..	992	1320	100	1420	428	43
850	198	1048	..	1048	1380	100	1480	432	41
900	205	1105	..	1105	1440	100	1540	435	39
950	211	1161	..	1161	1500	100	1600	439	38
1000	217	1217	..	1217	1600	100	1700	483	40
1100	227	1327	..	1327	1700	100	1800	473	36
1200	237	1437	..	1437	1700	100	1800	363	25
1300	247	1547	..	1547	1700	100	1800	353	16

NOTE.—Employees in this grade get an additional jet allowance of Rs. 450 p.m. The percentage of increase in their total emoluments is therefore substantially higher than the figures in column 10 above.

TABLE 28

Grade No.

Categories covered

Present : 30

Senior Inspector/
Assistant Superintendent.

New : 27

Present scale					New scale (Agreement)				
Rs. 1000-100-1500					Rs. 1200-100-1700				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
1000	217	1217	..	1217	1200	237	1437	220	18
1100	227	1327	..	1327	1300	247	1547	220	17
1200	237	1437	..	1437	1400	257	1657	220	15
1300	247	1547	..	1547	1500	267	1767	220	14
1400	257	1657	..	1657	1600	277	1877	220	13
1500	267	1767	..	1767	1700	287	1987	220	12

TABLE 29

Grade No.

Categories covered

Present : 31

Captain (First Officer)

New : 28

Present scale					New scale (Agreement)				
Rs. 1050-100-1450					Rs. 1050-100-1650				
1	2	3	4	5	6	7	8	9	10
Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
E.B. 1050 100	232	1382	..	1382	1050 200	242	1492	110	8
E.B. 1150 100	242	1492	..	1492	1150 200	252	1602	110	7

	1	2	3	4	5	6	7	8	9	10
E.B.	1250 100	252	1602	..	1602	1250 200	262	1712	110	7
E.B.	1350 100	262	1712	..	1712	1350 200	272	1822	110	6
E.B.	1450 100	272	1822	..	1822	1450 200	282	1932	110	6
						1550 200	292	2042		
						1650 200	300	2150		

Grade No.

TABLE 30

categories covered

Present : 33

Senior Captain (Commander)

New : 29

Present scale
Rs. 1300-100-1800

New scale (Agreement)
Rs. 1500-100-2000

	1	2	3	4	5	6	7	8	9	10
	Pay	D.A.	Total	Interim Relief	Total	Pay	D.A.	Total	Increase	% Increase
E.B. C.P.	1300 100 200	277	1877	..	1877	1500 200 300	300	2300	423	23
E.B. C.P.	1400 100 200	287	1987	..	1987	1600 200 300	300	2400	413	21
E.B. C.P.	1500 100 200	297	2097	..	2097	1700 200 300	300	2500	403	19
E.B. C.P.	1600 100 200	300	2200	..	2200	1800 200 300	300	2600	400	18
E.B. C.P.	1700 100 200	300	2300	..	2300	1900 200 300	300	2700	400	17
E.B. C.P.	1800 100 200	300	2400	..	2400	2000 200 300	300	2800	400	17

55. The following table shows the comparative salaries of seven workmen at various grades and the salaries proposed by me now. From this table it will be clear that the wage-scales have been substantially increased from the time the matter was referred to the Committee of Arbitration in 1959. It will also be observed that the demands then made by the workmen of the various grades were not conceded by Shri Vyas but the settlement reached on May 9, 1960, was a close approximation to those demands and the increases now proposed adequately compensate the rise in prices at various levels. The present demands would seem to be out of all proportion to the rise in the cost of living and the needs of the workmen. The last column gives the percentage of increase in wages of the various workmen.

Comparative statement of salaries and dearness allowance of seven categories of workmen from 1959 onwards

Grades	Before Vyas Award		*Demanded then		Vyas Award		Settlement of of 9-5-60		Present demand		Proposed		Percentage Increase from Col. 5	
	1	2	3	4	5	6	7	8						
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
1. Cleaner														
Scale . . .	39-3-51-4-63 (7yrs)		50-3-59-4-63 (10 yrs)		114-4-150-155		50-3-59-4-75-5-90		140-10-170-15-215-20-315		100 -5- 150			
D.A. . . .	53+5	58+5	40+43	40+43	10	20	73	89	189	334	65	70		
TOTAL . . .	92+5	121+5	90+43	103+43	124	175	123	179	329	649	165	220	34	23
2. Cook														
Scale . . .	50-4-74 (6 yrs)		70-5-100-10-120		125-5-180-10-230		70-5-100-10-120		170-10-190-15-250-20-370		130-5-150-10-200			
D.A. . . .	53+5	62+5	40+43	42+43	10	20	81	98	230	378	65	70		
TOTAL . . .	103+5	136+5	110+43	162+43	135	250	151	218	400	748	195	270	29	19
4. Jr. Clerk														
Scale . . .	80-5-100-10-150 15-210		90-5-100-10-150- -15-240		140-10-190-15- 325		90-5-100-10-150 -15-240		210-15-200-20- 400-30-580-50- 680		150-10-200-15- 245-20-345			
D.A. . . .	65+5	100+5	45+43	60+43	10	..	89	131	270	456	70	80		
TOTAL . . .	145+5	310+5	135+43	300+43	150	325	179	371	480	1136	220	425	23	15

Grades	Before Vyas Award		*Demanded then		Vyas Award		Settlement of 9-5-60		Present demand		Proposed		Percentage Increase from Col. 5	
1	2		3		4		5		6		7		8	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
5. Jr. Progress Clerk														
Scale . . .	90-5-100-10-150-15-210		100-10-150-15-195-20-255		170-10-190-EB-15-280-EB-20-400-25-475		100-10-150-15-195-20-255		225-15-300-20-400-30-580-50-680		180-10-200-15-245-20-365			
D.A. . . .	69+5	100+5	50+43	64+43	20	..	93	134	280	456	70	80		
TOTAL . . .	159+5	310+5	150+43	319+43	190	475	193	389	505	1136	250	445	30	14
10. Sr. Progress Clerk														
Scale . . .	140-10-150-15-225-20-325		150-15-210-20-350		210-15-285-EB-20-405-30-525-EB-50-625		150-15-225-20-365		300-20-320-25-395-30-575-50-825		245-20-485-25-510			
D.A. . . .	83+5	122+5	53+43	88+43	20	..	106	151	334	485	75	90		
TOTAL . . .	223+5	447+5	203+43	438+43	230	625	256	516	634	1310	320	600	25	16
16. Receptionist														
Scale . . .	200-15-260(I) 240-20-300(II)		260-20-360		210	625	260-20-340		450-25-500-50-950		410-25-510			
D.A. . . .	98 106+5	110 118+5	65+43	63+43	20	..	135	146	397	505	85	90		
TOTAL . . .	298 346+5	370 418+5	325+43	423+43	230	625	395	486	847	1455	495	600	25	24

Grades	Before Vyas Award		*Demanded then		Vyas Award		Settlement of 9-5-60		Present demand		Proposed		Percentage Increase from Col. 5	
I	2		3		4		5		6		7		8	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
21. Charge Hand														
Scale . . .	245-20-345-25-445		325-20-405-25-605		210-15-285-EB-20-405-30-525-EB-625		250-25-450-50-600		500-50-1000-100-1200		435-25-560-40-720-50-820			
D.A. . . .	107+5	124+5	82+43	75+43	20	..	133	187	417	505	85	95		
TOTAL . . .	352+5	569+5	407+43	680+43	230	625	383	787	917	1705	520	915	36	16

*D.A. was demanded at the rate of Rs. 40 or 50% whichever is higher for the salary upto Rs. 100 plus varying percentages for higher slabs of the salary plus Rs. 2-8-0 for every rise of 10 pts. above 250.
(base 1939=100)

(ii) *Item No. 3:—4-weekly rates of payment of grade pay.*

56. The demand under this head is made by Party No. 2 only and it is claimed that wages should be paid weekly by treating the monthly wage as representing the emoluments of a period of 4 weeks. This would obviously have the result of the workers becoming entitled to 13 months' salary each year. The demand is resisted by the Corporation and it is contended that the payment of wages every month has been determined by the Corporation under the provisions of Section 4 of the Payment of Wages Act which is in the following terms:

"4. *Fixation of wage-periods.*—(1) Every person responsible for the payment of wages under Section 3 shall fix periods (in this Act referred to as wage-periods) in respect of which such wages shall be payable.

(2) No wage-period shall exceed one month."

57. The Counsel for Party No. 2 has not advanced any cogent argument for changing the mode of payment of salaries which is obviously intended to increase the salaries in an indirect way because by this means the workers will get 13 months' salary per year whatever the quantum of salaries determined by this Tribunal. I see no substance whatsoever in this demand, nor has it been shown on what ratio it has been claimed. I, therefore, reject it.

(iii) *Item No. 4: Dearness allowance.*

58. While discussing Item No. 1, I gave my reasons for merging a part of the dearness allowance with the basic pay. This will involve some extra financial burden on the Corporation because the impact of dearness allowance is felt in various ways, e.g., on Provident Fund, Gratuity, Travelling Allowance, Overtime, Holiday Compensation, Meal Allowance, Shift Allowance, Settling down allowance, Resettlement allowance and clothing allowance because for these purposes the pay does not ordinarily include dearness allowance and the merging of some portion of the dearness allowance will have the result of suddenly enhancing the basic pay and thus increasing the liability under these heads. The extra burden, however, is not considerable. As far as Provident Fund is concerned, it has already been decided to treat pay as being the total of basic pay and dearness allowance and so it will not matter whether the whole of the dearness allowance is merged with or kept separate from the basic pay or only a part of it is thus merged. The same remarks apply to overtime and holiday compensation. The quantum of gratuity will no doubt be enhanced by the merger of a part of the dearness allowance into the basic pay, but I see nothing unjust in this. In other countries also, gratuity schemes exist and there too the gratuity is calculated on the basis of pay, and since there is no separate dearness allowance in those countries, the amount of gratuity has gone up each time the pay has been increased. The other factors do not add an appreciable amount to the financial burden of the Corporation and the merging of a portion of the dearness allowance into the basic pay will make only a small addition to the total expenditure of the Corporation.

59. Dearness Allowance will be payable to the workers at various stages according to the following table:

	<i>Basic Pay</i>	<i>Dearness Allowance</i>
From	100 to 149.	65
„	150 to 199.	70
„	200 to 299.	75
• „	300 to 399.	80
„	400 to 499.	85
„	500 to 649.	90
„	650 to 899.	95
„	900 and onwards	100

60. The above table does not apply to workmen represented by Parties 4 and 5 as they are governed by the respective agreements concluded by them with the Corporation.

(iv) *Item No. 5: House rent allowance/conditions governing allotment of accommodation.*

61. All parties demanded that living accommodation should be provided for the employees of the Corporation at a rental of 10% of their basic salary, and whenever such accommodation is not available, they should be paid a house rent allowance of 20% of their salary. It is contended that house rents in Bombay and other places in India have gone up considerably and the employees find it impossible to obtain residential accommodation in conformity with their status at a reasonable cost. Further, it was claimed that the allotment of houses owned by the Corporation should be on the basis of seniority, and in any event, only 10% of the allotment should be made by the Corporation and 10% in consultation with the employees' representatives. There is also a demand for house-building loans at concessional rates of interest.

62. The present position is that there are about 500 tenements which have been built under various schemes by the Corporation and these are let out to the employees at subsidised rents under the Industrial Housing Scheme. The Corporation also advanced house-building loans at rates of interest which are low as compared with the market rates prevailing. House rent allowance is given to Aircraft Maintenance Engineers who are posted at out-stations in India. Employees posted abroad are also given a relief in the matter of house rent.

63. During the course of the negotiations with the Corporation, Party No. 4 dropped this demand. Party No. 5 also dropped it when negotiating their settlement of October 15, 1965.

64. The demand was opposed by the Corporation, and it was pleaded that house rent allowance was not part of the conditions of service of an employee and this demand, therefore, did not lie with the definition of an industrial dispute, and this Tribunal should reject it *in limine*. The same objection was raised with regard to the demand for regulating the allotment of Corporation's houses and the grant of loans. It was further pleaded that the provision of houses is primarily the duty of the State Government or the local authority and that the Corporation cannot be

expected to provide its employees with houses, and finally it was urged that the structure of the pay scale of the employees of Air-India was prepared after taking into account the high rents prevailing in India and elsewhere; there is, therefore, no justification for the grant of house rent allowance.

65. There is no doubt that housing is a matter which primarily falls within the obligations of the State Government or local authority. Many industries do, however, provide accommodation for their employees though the nature of this benefit is conditioned by the cost factor which, in Bombay, with its limited land and high prices, may well present a retarding, if not, an insuperable force in the way of building houses and tenements. The Corporation has already provided about 500 tenements to its employees at subsidised rents and is planning to build more houses. House-building loans are also granted at concessional rates of interest. The cost of living index takes into consideration the item of house rent. When this matter was discussed in an earlier chapter, I referred to the mode of computing the minimum wage. The minimum wage has been increased on account of the rise in prices and the rise in prices includes a rise in house rent. Therefore, as the rise in the cost of living index has brought about a rise in salaries, the new salaries do take into account the higher rents now prevailing. On behalf of the Unions, the instance of the Life Insurance Corporation of India was cited. It was alleged that the employees of this Corporation are paid a house rent allowance. But, the salary scales of those employees are much lower than the salary scales of the employees of Air-India and the total emoluments of the Life Insurance Corporation employees, inclusive of house rent, do not compare favourably with the salaries of Air-India employees. I have, by means of this award, substantially increased the total emoluments of all workmen and it seems to me that there is no further scope for an increase on many of the individual items. The house rent allowance is clearly one such item because it forms part of the normal budget upon the basis of which the quantum of salary is fixed. In view of the fact that whenever an employee is sent to an out-station he is compensated by the payment of house rent allowance, and in view of the facilities which are provided by the Corporation both in the manner of houses at subsidised rents and house-building loans, I find no force in the demands made on this score. Both Parties No. 4 and 5, at the time of negotiating their agreements, must have seen the wisdom of abandoning this demand and they dropped it. I would, therefore, decline to entertain the demand under this item and reject it.

(v) *Item No. 6: Duty allowance.*

66. Certain categories of employees working in the Engineering Workshop, are being paid a special allowance called "Duty Allowance" which is computed at 10 per cent of their basic pay. This provision is contained in paragraph 12 of the Establishment Orders which is in the following terms:

"12. *Duty Allowance.*—Duty Allowance at 10 per cent. of basic will be granted to the following categories of staff who are required to observe the working hours of the Engineering Workshops:

- (1) Progress Clerks,
- (2) Inspection Clerks,

- (3) Time Clerks working in Maintenance shifts, and
- (4) Storekeepers (Junior, Senior and Sectional) of the Stores Department who were on the pay rolls of the Corporation as on the 7th November, 1960."

67. The above paragraph is a result of certain agreements arrived at between the workers and the Corporation. Its history goes back to 1951 when an industrial dispute between Air-India Limited and its workers was settled by an agreement. By this agreement, the hours of work of the clerical staff were fixed at 36 hours per week. The Progress Clerks, however, who used to work only 36 hours, were not affected and to compensate them for the extra work, it was agreed to pay them a duty allowance of 10 per cent. of their basic pay. In 1959, there was another demand for duty allowance for all non-technical staff working in the Engineering and Stores Department who were required to work 42 hours per week instead of their normal working hours of 38 hours per week. This dispute was settled by an arbitration award on November 1, 1960, which provided that the duty allowance paid to the Progress Clerks would also be paid to the Stores Clerks, Inspection Clerks and Time Clerks working in the Maintenance Shifts. There was another agreement on November 30, 1961, which re-affirmed the previous agreements and provided that Inspection Clerks and Time Clerks working in the Maintenance Shifts, will be paid duty allowance at the same rates as the Progress Clerks. The Junior, Senior and Sectional Storekeepers who were on the rolls of the Corporation on November 7, 1960, were also brought within the scope of this amenity.

68. A comprehensive demand is now being made by Parties No. 2 and 3, and the claim of Party No. 2 is that all non-technical staff whether working in the Engineering, Stores or other Departments, and whose hours of work are similar to those of the employees in the Engineering shifts, should be paid duty allowance of 20 per cent of their basic pay. This would mean that all non-technical staff who work more than 36 hours a week, will be entitled to have their basic pay increase by 20 per cent. It is further claimed that this increase should be taken into consideration when calculating the dearness allowance.

69. The demand of Party No. 3 is that all members of the non-technical staff who are required to work more than 38 hours per week should be paid duty allowance at the rate of 20% of their basic pay and this allowance should form part of the basic pay for the purposes of other calculations.

70. The demand is resisted by the Corporation on the ground that there is no justification for it and even the employees who are being paid duty allowance now, are not entitled to it on any reasonable ground and the whole concept of duty allowance needs to be revised and no one should be paid any duty allowance.

71. Duty allowance is paid to four categories of workmen only. Of these, two viz., Progress Clerks and Inspection Clerks, are to be found solely in the Engineering Workshops. They work 42.98 hours per week which is considerably more than other clerks in the same Department or in any other Department are required to do. For this reason, they are paid a special duty allowance. Time Clerks working in the Maintenance Shifts, who are required to observe the working hours of the Engineering

Workshops, are also paid duty allowance because they are required to work for longer hours and their pattern of hours is the pattern of the Engineering Workshops. Time Clerks working outside the Engineering Workshops do not work for the same number of hours nor do they observe the same unusual pattern of shifts. They are, therefore, not paid any duty allowance even if sometimes they have to work for more than 36 hours. Normally speaking, if a Time Clerk works for more than 36 hours, he gets overtime pay. Take the instance of the Timekeeper in the Personnel Department. His normal hours of work are 34.38 per week. Any work beyond this norm will entitle him to overtime pay. There is no justification for his being paid a duty allowance also. With regard to the Storekeepers, the duty allowance is being withdrawn in the case of those who joined the Corporation after November 7, 1960.

72. The whole justification for duty allowance lies in the fact that persons to whom it is being paid, work for longer hours and also observe a somewhat unusual schedule of work. There is no justification for extending this facility to others who are not required to work in the same way or to the same extent. In view of this, the demand of Parties No. 2 and 3 seems to be wholly unjustified. It may be observed that the hours of work of the Corporation personnel do not exceed the statutory maximum of 48 hours per week and many of the persons on whose behalf this demand is being made, work for considerably fewer number of hours. I accordingly reject this demand *in toto*.

(vi) *Item No. 7: Machine allowance.*

73. Certain categories of workmen, who operate computers and other complex machines as part of their duty, are paid a machine allowance at the rates specified in paragraph 11 of the Establishment Orders.

74. Parties No. 2 and 3 on whose behalf alone a demand under this head has been made, claim that the machine allowance should be increased to Rs. 25/- for all employees, and a number of other workmen who operate machines, should be paid this allowance. Party No. 2 says that Teleprinter Operators, Telephone Operators, Typists, Stenographers and Steno-typists, should also be paid this allowance. Party No. 3 claims that Punchers and Machine Operators in the Accounts Department and workmen operating other types of machines like Duplicators, Teleprinters, Burrough Machine, Friden, Franking Machines, Cameras and Calculating Machines, should be paid machine allowance.

75. This demand is resisted by the Corporation and it is pleaded on behalf of Air-India that there is no justification for paying the machine allowance even for those persons who are in receipt of it under paragraph 11 of the Establishment Orders.

76. I paid a visit to the offices of Air-India and saw some of the computers being worked. The persons who punch and work these computers and comptists, are already being paid a machine allowance. There appears to be no justification for extending the provisions of paragraph 11 of the Establishment Orders and awarding machine allowance to Teleprinter Operators, Typists and Steno-typists. They operate these machines as a part of their duties and their pay scales are fixed on the assumption that they know how to operate these machines and will be operating them in the normal course of their duties. On behalf of Party No. 2 it was argued that some categories of workmen are being paid this

machine allowance in the Indian Airlines Corporation and the machine allowance in that Corporation was increased to Rs. 25/- per mensem with effect from October 1, 1963. I can, however, find no justification for enlarging the scope of paragraph 11 of the Establishment Orders and I, therefore, reject this demand.

(vii) *Item No. 8: Transport/car/conveyance allowance*

77. Certain categories of the Corporation's employees enjoy transport facilities either in the form of transport allowance or in the form of free or subsidised transport. There is a demand for the extension and further liberalisation of this amenity.

78. The present position is that some of the officers are paid a monthly transport allowance. The members of the flight crew are provided with free transport between their residence and the Airport whenever they are scheduled for flight duty. For a large number of other employees, subsidised transport is provided from the two railway stations, Santa Cruz and Kurla upto the Airport. Further demands in this behalf were made by Parties 2, 3 and 5. As far as Party No. 6 is concerned, the only plea raised on their behalf was that the present transport facilities at Bombay should continue to remain as at present. Party No. 5 settled this matter and the settlement has been embodied in the agreement arrived at on October 15, 1965. The agreement is in the following terms:

"Conveyance Allowance shall be payable to the employees at the following rates :

Assistant Superintendent	Rs. 100/-
Aircraft Maintenance	
Engineer, Grade I/Aircraft	
Radio Maintenance Engineer,	
Grade I	Rs. 50/-
Aircraft Maintenance	
Engineer, Grade II/Aircraft	
Radio Maintenance Engineer,	
Grade II.	Rs. 50/-

The remaining demands made by Party No. 5 were dropped.

79. On behalf of Party No. 2 it was pleaded that (i) all employees other than Cabin Attendants who are already provided with free transport, should be paid a transport allowance of Rs. 25 per month, (ii) all Senior Check Flight Purser should be paid a conveyance allowance of Rs. 250/- per month, and (iii) in addition to the existing transport facilities for Cargo and Cabin Attendants, the Corporation should provide free transport to them for all official purposes including attendance for training.

80. The plea of Party No. 3 is that it is primarily the responsibility of the Corporation to bring the employees from the nearest railway station to the place of work and, therefore, all workers should be provided with free transport and should, in addition, be paid a transport allowance of Rs. 20/- per month. It was argued on their behalf that the workers of the Indian Airlines Corporation, under Rule 30 applicable to them, are paid transport allowance varyin from Rs. 10/- to Rs. 50/- per month and that similar allowance should be paid to workmen of the All-India Corporation. Party No. 3 has also raised a protest against the raising

of the charges for subsidised transport from Santa Cruz and Kurla railway stations.

81. These demands were opposed by the Corporation and it was urged that it is not the duty of the employer to bring the employee to the place of business and that the wage-structure of the Corporation already makes ample allowance for the incidental expenses incurred in travelling to and from the workmen's place of business. The increase in the charges for subsidised transport was attributed to a rise in operational costs. The matter was agitated before the Committee of Arbitration in 1960, and it was then pointed out that although the Union, i.e., Party No. 2, was not consulted when the charges were raised, the Corporation was fully justified in increasing the rates owing to the increase in cost as this was done having regard to the recommendation of the National Industrial Tribunal in the case of the Indian Airlines Corporation. The Corporation also filed a statement (M-57) showing the amount of subsidy paid to its Transport Department. The subsidy has increased from Rs. 1,26,702/- in the year 1959-60 to Rs. 1,97,090/- in the year 1963-64. The workers are charged a sum of Rs. 6.50 from the Kurla railway station and Rs. 3.25 from the Santa Cruz railway station, per month. This, according to the Corporation, is considerably less than the amount charged by the Bombay Electricity Supply Undertaking for the same journeys. The Corporation further submits that some officers are paid a conveyance allowance but this allowance is not solely for the purposes of bringing them from their residence to the place of work and there is no analogy between the privilege enjoyed by these officers and the remaining workmen. With regard to the claim of Party No. 6, the Corporation has denied any intention on its part to withdraw the transport facilities available to the various categories of employees at present.

82. It was submitted by the Corporation that although transport allowance is paid by the Indian Airlines Corporation to some of their employees, the total emoluments of their workmen, including the transport allowance for similar categories, are less than the total emoluments of workers in the Air-India Corporation and, therefore, the payment of any transport allowance by the Indian Airlines Corporation cannot be cited as a justification for the payment of transport allowance to the workmen of Air-India. No evidence regarding the payment of transport allowance by any other industry in Bombay or elsewhere was produced before me.

83. Transport allowance is being paid only to some categories of workmen because of the peculiar nature of their work or their status and there appears to me no reasonable justification for extending this amenity or liberalising it further. I may repeat that as the wage-structure has been revised by me and the workmen will be receiving substantial increases in emoluments as a result of this award, and since the wage of a workman takes into account the money which he has to spend on transport, I am not prepared to accept the demand of Parties No. 2 and 3, and I accordingly reject it.

(viii) *Item No. 11: Jet/hazard allowance for ground staff.*

84. A demand under this head has been made by Parties No. 2, 3 and 5. Party No. 5 dropped it during its negotiations with the Corporation which culminated in the agreement of October 15, 1965 and the demands

of Parties No. 2 and 3 only survive. In the original charter of demands the claim of Party No. 2 was as follows:

“All employees involved in hazardous operations such as charging of oxygen cylinder bottle, charging of cylinder inside the aircraft, skydrol operations, X-ray inspection processes, handling of radio active material etc. should be paid an allowance of Rs. 60 per month.”

In the statement of claims filed before this Tribunal, the demand was enlarged and the present demand is set out in paragraph 18 which is as follows:—

- “(A) All operative staff of the Corporation who are required to handle or service jet airplanes including their run-ups should be paid jet allowance of Rs. 150 per month.
- (B) All employees engaged in hazardous operations such as charging of oxygen cylinder bottles, charging of cylinders inside the aircraft, skydrol operation, X-ray inspection processes, handling of radioactive materials, etc., should be paid a compensatory allowance of Rs. 60 per month.
- (C) Chowkidars and other Security staff who are required to carry and/or operate fire-arms including rifle while on duty should be paid an extra allowance of Rs. 25 per month.
- (D) Employees other than cashiers in the Accounts Department (including accounts section of the Traffic Department who are required to handle cash) should be given an extra allowance of Rs. 25 per month.”

85. The demand of Party No. 3 in the original charter of demands was as follows:—

“*Hazardous Duty Allowance.*—Employees engaged in dangerous operations and who are required to do hazardous types of jobs should be paid an allowance of 25 per cent of their basic pay. Such employees should also be provided with special safety equipment and clothing.”

This demand was repeated in the statement of claims and was supported by a statement of reasons setting out the various dangers and risks which are involved in handling jet aircraft. The Corporation opposed the demand and pleaded that since Air India is an all-Jet Airline, the scales of pay of its various workmen are conditioned by this consideration and no extra allowance to ground staff is admissible, nor are the workmen entitled to any allowance for handling fire-arms or cash because this is part of their normal duties.

86. With regard to the jet hazard, I have already discussed this matter at length in Chapter VI where I have given reasons for holding that no such allowance is admissible to the workmen of Air-India. This disposes of demand (A) of Party No. 2 and part of the demand of Party No. 3. With regard to the other demands of Party No. 2, I do not see any substance in them. Cashiers in the Accounts Department are required to handle cash as part of their ordinary daily duties, and their salaries are fixed on the basis of these duties. No extra allowance is, therefore, admissible to them. Nor is it possible to give an allowance to chowkidars who are required to carry fire-arms. It was argued before me that under the Desai Bank Award of 1962, such an allow-

ance was awarded to chowkidars but on referring to the award I find that there is no such allowance payable to workmen who are required to carry fire-arms. The allowance referred to was payable to all watchmen, chowkidars and cash durwans and it had no reference to their carrying fire-arms as part of their duties. In the Air-India, chowkidars watchmen and peons are listed under the same grade but the chowkidars and watchmen of the Air-India are not comparable to the watchmen of a bank where large amounts of money are always stored and whose duties may, therefore, be said to carry a larger measure of responsibility than those of the watchmen and chowkidars in Air-India. The total emoluments payable under the present award to watchmen and chowkidars have been substantially raised and they compare very favourably with the emoluments of bank employees. I am, therefore, not prepared to concede this demand and I reject it *in toto*.

(ix) *Item No. 13: Licence Allowance.*

87. A demand under this head has been made by Parties No. 2 and 3.

88. The demand is that Mechanics who hold an AME's Licence should be paid a special licence fee of Rs. 100 per month, and if any Mechanic or Aircraft Maintenance Engineer obtains a Radio Telephony Licence granted by the Posts and Telegraphs Department after the appropriate examination, he should be paid an allowance of Rs. 50/- per month. It is pleaded by Parties No. 2 and 3 that such allowance are being paid by the Indian Airlines Corporation.

89. The demand was resisted by the Air-India Corporation on the ground that there is no justification for it and that Mechanics who hold an AME's Licence cannot make use of the extra training received by them until they are promoted to the post of an AME. A workman undergoes extra training in order to gain promotion and this promotion when received, is a sufficient reward for the time and labour expended by him in acquiring the extra qualification. It was argued on behalf of the Management that the granting of such allowances should be left entirely to the discretion of the employer who might, at any particular stage, wish to give special encouragement for the acquisition of additional skill when it is found that there is a paucity of skilled persons for higher positions. This may be the reason why the Indian Airlines Corporation is paying such allowances to its workmen.

90. The Indian Airlines Corporation operate aircraft of various types and they have, over the past few years, added more complex types of aircraft at successive stages. There was probably a dearth of workmen skilled enough to deal with the more complex types of aircraft and in order to encourage the available field of Mechanics, they might have instituted a scheme for the payment of a licence allowance. The case of Air-India is somewhat different as for the last five years there has been no substantial change in the nature of the aircraft operated by it and there is not likely to be any substantial change for a number of years yet. It seems to me that there is no dearth of skilled Mechanics who are qualified to be appointed as AME's either directly or from among the staff of Mechanics. A statement (M-58) filed by the Corporation shows that as many as 19 Mechanics were promoted to the posts of AMEs during the year 1964-65. It is, therefore, clear that no additional incentive is needed to make the Mechanics acquire an AME's

Licence and they put in this extra labour in order to obtain higher and more remunerative appointments. In this view of the matter, there is no justification for awarding a licence allowance. The labour carries its own reward in the form of expectation of a better and more lucrative appointment. I, therefore, reject this demand.

It is observed from the agreement of October 15, 1965 arrived at between parties No. 1 and 5 that the Corporation has conceded under this item the following concessions to the aircraft maintenance engineers:—

- (i) The Technical pay at the rates specified below will be payable to the employees :—

Assistant Superintendents Rs. 250/- p.m.

Aircraft Maintenance
Engineers, Gr. I/Aircraft
Radio Maintenance
Engineers Gr. I Rs. 200/- p.m.

Aircraft Maintenance
Engineers Gr. II/Aircraft
Radio Maintenance
Engineers Gr. II Rs. 100/- p.m.

- (ii) Aircraft Maintenance Engineers Gr. II/Aircraft Radio Maintenance Engineers Gr. II will be granted a qualification pay of Rs. 100/- p.m. if they possess or acquire additional qualification as prescribed in the annexure to the agreement.

The abovementioned agreement has already been made a part of my award.

(x) *Item No. 14: Heavy duty vehicle allowance.*

91. Under this head, a demand has been made by Parties No. 2 and 3 who claim extra allowances payable to those persons who are required to drive heavy duty vehicles like tractors, Fork-Lifters, etc. At present the Corporation employs drivers at pays ranging from Rs. 219/- to Rs. 281/- inclusive of dearness allowance. Those drivers who possess licences for driving heavy duty vehicles are required to drive them whenever necessary and they are called upon to do so in rotation. No extra allowance is paid to them. The demand of Party No. 2 is that an extra allowance of Rs. 60/- per month should be paid to drivers of heavy duty vehicles like tractors, Fork-Lifters, etc. and such employees who are required to drive trolleys or brush tractors should be given an extra allowance of Rs. 30/- per month. There is also a demand that members of the engineering and store staff who are required to drive the Corporation's vehicles should be paid an allowance. The demand of Party No. 3 is that persons required to drive heavy vehicles should be paid an allowance of Rs. 50/- per month.

92. The demand is resisted by the Corporation and it is alleged that the pays and allowances of drivers of the Corporation are far more advantageous than the wages paid by the State Transport and Bombay Electricity Supply and Transport Undertaking for longer hours of work and fewer holidays. The drivers in the employment of the Corporation do not have to perform the onerous duties which bus and truck drivers of the State Transport Department have to perform and, therefore, there is no justification whatsoever for the grant of an additional allowance for driving heavy vehicles. With regard to the demand for allowance for members of the Engineering and Stores staff who may occasionally have to drive the Corporation's vehicles, the Corporation submits that this matter was raised before the Labour Directorate of the West Bengal

Government, and the Government refused to refer it to the Tribunal on the ground that an employee in a scale of pay higher than that of a driver is not entitled to any driving allowance because whenever he is required to drive a vehicle, the time spent is negligible and the skill required is less than that of a mechanic, so no case for payment of extra allowance was made out. The Corporation has offered that it is willing to pay an allowance of Re. 1/- per working day to those workmen in the lowest category who, being in possession of a driving licence for heavy vehicles, are required, allowed or permitted to drive the Corporation's heavy vehicles for the work of the Corporation. This offer is contained in paragraph 112 of the written statement of the Air-India which deals with the demand under Item 37. It seems to me that this is a fair offer and there is no justification whatsoever for awarding heavy duty allowance to drivers whose conditions of service are much better than those obtaining in other industries and in the State Transport Department. I, therefore, reject this demand but on the basis of the offer made by the Corporation make an award that workmen in the lowest category will be entitled to a driving allowance of Re. 1/- per working day provided they are in possession of a driving licence for heavy vehicles and are required to drive the Corporation's heavy vehicles for the work of the Corporation.

(xi) *Item No. 15: Jet Allowance (Cabin Attendants and Flight Crew).*

93. Under paragraph 8 of Schedule—Pay Scales and Allowances—of the Air-India Employees Service Regulations, no Jet Allowance is payable to any of the Cabin Attendants and only members of the Operating Crew are paid varying amount of Jet Allowance. It is provided by sub-paras (ii) and (iii) of paragraph 8 that no Jet Allowance should be admissible during the period of training and until the employee has obtained the necessary licence or endorsement thereon for the operation of the Corporation's jet aircraft and the allowance will cease when the assignment to operate the jet aircraft is terminated or temporarily suspended.

94. In the Charter of Demands a claim for enhanced jet allowance was made by Parties No. 4, 6 and 7, and Party No. 2 also made a demand for jet allowance. Party No. 4 has now settled this claim. Originally the jet allowance payable to Commanders was Rs. 650/- per month and to First Officers Rs. 400/-. The demand made by Party No. 4 was that Commanders be paid Rs. 1,050/- and First Officers Rs. 850/- by way of Jet Allowance. In the settlement of 26th July, 1965 the Corporation has agreed to pay Commanders Rs. 1,000/- and First Officers Rs. 600/- as Jet Allowance. The Jet Allowance payable to members of Parties No. 6 and 7 is Rs. 300/- p.m. and claim of Party No. 6 is that it should be enhanced to Rs. 800/-. With regard to Party No. 7, the original demand was that for the first three years of operating on the jet aircraft, the allowance should be Rs. 300/- per month. This should be increased to Rs. 500/- for the 4th and 5th year and from the 6th year onward the jet allowance should be Rs. 700/-. This was, however, later amended by means of an application dated 1st September, 1965 after the Pilots had settled their demand under this head. The amended demand is for a flat rate of Rs. 700 for all Flight Engineers.

95. When the Corporation began to operate jet aircraft, it agreed to pay its Pilots a jet allowance because of the more complex nature of the aircraft. This has been substantially increased by the last agreement of 26th July, 1965. On the same ground the Flight Navigators and Flight

Engineers are entitled to an increase because I do not see any reason for discriminating against them. They too are entitled to a substantial increase in the jet allowance, and having regard to the circumstances of the case, their scales of pay and the nature of the duties which they are required to perform while operating a jet aircraft, I would increase the allowance to Rs. 450 per month as a flat rate.

96. With regard to Cabin Attendants, the demand is opposed by the Corporation and it is contended that only the operating crew are entitled to any jet allowance because they have to acquire additional skill and their duties on jet aircraft are of a more complex nature than on other types of aircraft. The Cabin Attendants have, however, urged that flying in jet entails extra strain and labour. My attention was drawn to a passage in paragraph 14 of the Statement of Claims made by Party No. 4 and it was argued on behalf of the Cabin Attendants that the observations made in this paragraph apply with equal force to Cabin Attendants. The relevant paragraph is as follows:—

“Aircraft flight crews have become exposed to many physical hazards associated with high speed, high altitude, positive and negative acceleration, rapid climatic and time zone changes, anoxia or lack of oxygen and possible decompression. Jet flights have induced changes in normal physiological rhythms affecting sleep pattern, hours of rest, body temperature, cardio-vascular equilibrium and digestive functions. Jet crew are also subject to danger from radar, high frequency radio radiation, ultrasonic vibration and cosmic radiation at high altitudes. There are in addition physiological factors of tension, anxiety and emotion related to jet flight. At one place temperature may be quite above 25° C. and at the other end it may be well below 0° C. and that too after flying only about 5 to 6 hours. This causes physiological strain. Flying great distances from East to West involves rapid change in local times and imposes severe strain on human body to adjust to abnormal conditions of day/night cycle. Repetition of such strains and stresses damages the automatic adjusting mechanism of the human body. Frequent trips abroad also mean separation from family for long periods and considerable time at home is spent in recovering from acute fatigue.”

There is no doubt that the consequences of flying in jet aircraft as stated in the above paragraph are greatly exaggerated but it cannot be denied that certain strains, both physical and mental, do result from flying in jet aircraft and there is a constant disturbance of the diurnal routine. It was argued before me that some other airlines do pay a jet allowance to their Cabin Attendants. The allowance is paid by the Indian Airlines Corporation, by the Lufthansa and the Malaysian Airways. As far as the Indian Airlines Corporation is concerned, the comparison is not apt because that Airline operates several types of aircraft and their wage structure is not exclusively related to jet flights. Therefore some allowance is paid to those Cabin Attendants who are members of a jet aircraft flight crew. With regard to Lufthansa and Malaysian Airways, the complete details of their service conditions were not placed before me and it is not easy to draw an analogy from those airlines. It seems to me, however, that Cabin Attendants should be paid a Jet Allowance commensurable with their status and the nature of their duties. Having regard to these circumstances, I consider that a jet allowance of Rs. 50

for all Cabin Attendants will be sufficient to meet this demand and I award accordingly.

The result is that Cabin Attendants and air hostesses will be given a Jet Allowance of Rs. 50 and the existing Jet Allowance of Flight Engineers and Flight Navigators will be increased from Rs. 300 to Rs. 450.

(xii) *Item No. 16: Overseas operations allowance.*

98. The Corporation pays an Overseas Operations Allowance to some categories of employees who are required to carry out flying duties. A demand for the increase of Overseas Operations Allowance has been made on behalf of Parties No. 2, 4, 6 and 7. The demand by Parties No. 4 and 7 has been virtually dropped as I shall presently show and the demands of Parties No. 2 and 6 only survive. The demand of Pilots as made in the charter of demands and repeated in their statement of claims was that the allowance of Rs. 400 payable to the Commander and Rs. 275 to the First Officer should be increased to Rs. 650 and Rs. 500 respectively. In the agreement which was reached between the Pilots and the Corporation on 26th July, 1965, it was agreed that the present rates will continue without any further increase. Therefore, the demand for an increase was dropped by the Pilots, i.e., Party No. 4. The demand originally made by the Flight Engineers—Party No. 7 was that Overseas Operations Allowance of Rs. 225 should be increased to Rs. 450. On the 1st September, 1965, however, this party put in an application to amend certain items of their demands and among these items Overseas Operations Allowance was mentioned. The prayer was to amend the demand from Rs. 450 to Rs. 225, that is, the prevailing rate. Therefore, Party No. 7 has also dropped its demand for an increase.

99. Members of Party No. 6 are being paid the same allowance as that paid to Flight Engineers, i.e. Rs. 225. There seems to be no reason for increasing their allowance and since Parties No. 4 and 7 have seen the wisdom of dropping this demand, I am not prepared to concede the demand of Party No. 6. The Corporation has opposed it strongly and pleaded that members of the crew based in India and operating overseas are furnished with accommodation and are paid layover allowance in foreign currency at the layover stations and when they are based abroad their emoluments are paid to them in foreign currency. The present overseas operations allowance according to the Corporation, is an additional benefit provided to members of the Flight Crew and is more than adequate. As regards Party No. 2, Chief Flight Purser, Assistant Chief Flight Purser and Flight Purser are paid Rs. 125 each overseas operations allowance and Chief Air Hostess, Assistant Chief Air Hostess, Air Hostess and Assistant Flight Purser are paid Rs. 100. I see no justification for increasing this allowance. The members of the Flight Crew are adequately compensated for the additional expenses involved in travelling abroad and the present allowance appears to me to be more than adequate for this purpose. I, therefore, reject this demand *in toto*.

(xiii) *Item No. 19: Efficiency Bonus.*

100. The Corporation pays an Efficiency Bonus to members of the flight crew in consideration of the fact that a very high degree of efficiency of the flight crew has to be maintained. The amounts paid are

laid down in paragraph 4 of Schedule (Pay Scales and Allowances) to the Air-India Employees' Service Regulations which reads as follows:—

Efficiency Bonus:

- (i) Subject to the provisions of clause (ii) of this paragraph, Efficiency Bonus at the rates specified below will be payable to Flight Crew other than administrative Pilots, Navigators and Flight Engineers, Chief Flight Purser and Chief Air Hostess;
 - Rs. 100 per month to Senior Captains and Captains.
 - Rs. 75 per month to Navigators and Flight Engineers.
 - Rs. 50 per month to Flight Pursers, Assistant Flight Pursers and Air Hostesses.
- (ii) Efficiency Bonus may be withheld wholly or in part for any specified period if, in the opinion of the competent authority, the employee has committed any irregularity in or breach of flight procedures or has shown lack of responsibility as a member of flight crew or if his services are found otherwise unsatisfactory or for any act of commission or omission detrimental to discipline or to the interests of the Corporation.

Party No. 3 made no claim under this head but demands were made by the other parties.

101. Party No. 5, that is, All India Aircraft Engineers' Association dropped this demand when they reached their agreement with the Corporation on October 15, 1965.

102. Party No. 4, that is, Indian Pilots Guild, have also settled this demand and their Efficiency Bonus has been increased. The item was settled in the following terms:

"It is agreed that an Efficiency Bonus of Rs. 200 per month will be paid to Senior Captains and Captains from 1st April, 1964 subject to the condition that only half of this efficiency bonus will be liable to be withheld in accordance with the schedule of Pay Scales and Allowances under Regulation 13 of the Air-India Employees' Service Regulations."

103. The claims of Parties No. 2, 6 and 7 only survive. Parties 6 and 7 may be disposed of in one word. They are members of the Flight Crew and they are already in receipt of efficiency bonus at the rate of Rs. 75 p.m. This rate was fixed in accordance with agreements reached between the parties in 1960 and 1961 and there is no doubt that since then there has been a change in the conditions of service owing to the introduction of Jets. Air-India now is an all-Jet Airline and since the Corporation has agreed to a substantial increase of the Efficiency Bonus in the case of Senior Captains and Captains, it seems to me only just and proper that there should also be an increase in the Efficiency Bonus paid to Navigators and Flight Engineers whose case is, in no way, different from the case of the Pilots because they too are members of the Operating Flight Crew and on their efficiency too depends the safety of the passengers and aircraft. Flying of Jet aircraft needs greater attention and greater skill and so I propose to increase the Efficiency Bonus payable to Navigators and Flight Engineers' to a sum of Rs. 100.

104. As regards Party No. 2, there seems to be no justification whatsoever for increasing their efficiency bonus. They are not members of the

Operating Crew and although Cabin Attendants have to maintain a high degree of efficiency, it cannot be said that their task has become more onerous since Jet aircraft began to be flown. Their scales of pay have been increased and they have also been given a Jet allowance. An increase of efficiency bonus is, therefore, not justified and I reject their demands. The result is that Efficiency Bonus to Pilots will be governed by the agreement between them and the Corporation reached on July 26, 1965. The Efficiency Bonus of Flight Engineers and Flight Navigators is increased to Rs. 100 per month. Party No. 5 voluntarily dropped their demand. Party No. 3 made no demand under this head and the demands of Party No. 2 are rejected.

(xiv) *Item No. 28: Washing allowance.*

105. A demand for washing allowance has been made by Party No. 2 only.

106. The present position is that under paragraph 9 of the Establishment Orders, employees of the Corporation whose pay-scale does not exceed Rs. 150 per month, and who are provided with uniforms by the Corporation, are given a washing allowance of Rs. 3 per month unless arrangements for the laundering of the uniforms by the Corporation exist. Under the present award the corresponding salary will be Rs. 230 per month.

107. Party No. 2 claims that the Corporation should bear the expenses incurred in washing or laundering of the uniforms, whatever the amount of such expenses may be.

108. The demand is opposed by the Corporation and it is contended that the present rule is generous enough and was fixed as the result of an agreement arrived at between the Corporation and Party No. 2 on April 1, 1959. There is no justification for increasing this allowance or extending it to employees whose proposed pay-scale exceeds Rs. 230 p.m. It is contended that the Indian Airlines Corporation pays a washing allowance of Rs. 3 per month to many other categories of employees than persons who are in receipt of such allowance in the Air-India Corporation. The pay-scales of the Corporation's employees are, in my view, sufficiently generous to provide for washing of uniforms and any increase in the present allowance is not justified. The comparison with the conditions prevailing in the Indian Airlines Corporation is not exact because the pay-scales in the two Corporations differ. I, therefore, reject this demand.

(xv) *Item No. 33: Senior Check Pursers' Instructional allowance.*

109. A demand under this head has been made on behalf of Check Pursers and Senior Check Pursers who are members of Party No. 2. The original claim in the Charter of Demands was that a special allowance of Rs. 200 should be paid to the Senior Check Pursers' and a further allowance of Rs. 125 for carrying out instructional duties. In the Statement of Claims filed subsequently before this Tribunal, the demand was enhanced. Now it is claimed that all Check Pursers should be paid Rs. 200 per month as Instructional Allowance and Rs. 200 as Check Allowance and Senior Check Pursers should also get the same allowance.

110. The demand is resisted by the Corporation, and it is pleaded that the claim of Check Pursers cannot be considered under this head because

the reference is only in respect of Instructional Allowance claimed by Senior Check Pursers. On merits it is pleaded that the Senior Check Purser is already being paid an allowance of Rs. 100 for his additional responsibility and the extra duties which he is required to perform, and so there is no justification for conceding the demand now being made.

111. The claim of Check Pursers cannot be considered by me because it does not fall within the scope of the present reference. In any event, I am not prepared to admit it. Appendix 'A' to Schedule to paragraph 1 of the Air-India Employees' Service Regulations does not mention Check Pursers generally. The Senior Check Purser is listed at grade 25 and it is the demand of this workman that is before me. The present pay scale of the Senior Check Purser is Rs. 350—25—550—50—650. In addition to this he is being paid a special allowance of Rs. 100. For his grade of pay and for the type of additional duties which he is called upon to perform, the Senior Check Purser, in my view, is being paid adequately and I am not convinced of the justification for an increase in the allowance, nor for awarding an Instructional Allowance because giving instruction to Pursers is part of the ordinary duties of a Check Purser and no extra labour or responsibility in the instructional part of his duties is involved. I, therefore, reject this demand *in toto*.

(xvi) *Item No. 36: Children allowance.*

112. A demand for a special children allowance has been made on behalf of Parties No. 2 and 3 only. No claims on this ground were filed by the remaining four Parties.

113. The demand of Party No. 2 is that a children allowance, at the rate of Rs. 15 per month per child subject to a maximum of Rs. 45 per month, should be admissible to an employee and this allowance should be increased on completion of the fourth year of the child to Rs. 45 per month per child. The demand of Party No. 3 is confined to the first part of the demand, *viz.*, the payment of children allowance at the rate of Rs. 15 p.m. per child subject to a maximum of Rs. 45.

114. The demand is resisted by the Corporation on the ground that there is no justification for it and the pay scales are fixed after taking into consideration the size of a normal family. It will be remembered that when the question of the fixation of minimum wages was considered, the family unit was taken to be 3, *viz.*, the employee, his wife and two children. This was the basis for fixing the minimum pay at lower stages of the time scale. Successive increments which are a feature of the Air-India wage pattern sufficiently provided for the increase of the family and the additional expenses which the employee is called upon to incur.

115. The income-tax rebate on account of children sufficiently compensates the earning man with a family, and I find no justification whatsoever for awarding a special children allowance. It was contended before me that the Bank of India and the Reserve Bank do pay this allowance but the wages of Air-India workmen are sufficiently high and, I am not prepared to concede this demand. I therefore, reject it.

(xvii) *Item No. 37: Driving allowance.*

116. This demand is identical with the demand made under item No. 14—Heavy duty vehicle allowance. Mr. Dudhia while arguing the case

on behalf of Party No. 2 conceded that the two items could not be considered separately and that only one allowance is admissible, either under Item No. 14 or under Item No. 37. I have already, while disposing of Item No. 14, made an award on the basis of the offer made by the Corporation. There is no ground for further extension of this benefit and I, therefore, reject this demand.

(xviii) *Item No. 41: Command Pay (Senior Captains).*

117. A demand for a higher command pay was made on behalf of Senior Captains. This demand has now been settled and the dispute does not survive. Under the agreement reached with the Pilots on July 26, 1965, command pay has been fixed at Rs. 300 with effect from 1st April, 1964. The agreement has already been made an award of this Tribunal and so nothing further need be said on this matter.

(xix) *Item No. 42: 2nd Class Navigator's Licence Allowance.*

118. Demands under this head have been made by Parties No. 2 and 4. The substance of their demands is that Pilots and members of the ground staff who have taken the trouble to work and obtain a Second Class Navigators' Licence should be paid a special licence allowance. Under an agreement reached on April 20, 1960, Senior Captains and Captains are being paid a Second Class Navigators' Licence allowance of Rs. 100. The demand of Party No. 4 is that this allowance should not be discontinued, and Party No. 2 have claimed that the benefit should also be extended to members of their Union. As regards Party No. 4, the matter has been settled by the agreement reached on July 26, 1965, and it has been agreed that this allowance shall continue to be payable to those pilots who hold a Navigator's Licence. The intention, according to Shri Vimadlal Counsel for Air-India, is that future recruits will not be paid this allowance.

119. It is contended on behalf of the Corporation that when the Indian Aircraft Rules were amended, all pilots who now apply for either the Commercial Pilot's Licence or the Senior Commercial Pilot's Licence, are expected to pass an examination in those very subjects which comprised the syllabus of the Second Class Navigator's Licence Examination e.g., Air Regulations, Air Navigation, Aviation Meteorology, Signals etc. The Second Class Navigator's Licence Examination has been abolished by the Director General of Civil Aviation, and it is obligatory on all pilots to possess knowledge of navigation before they can qualify to be appointed pilots. In view of this change, so it was argued on behalf of the Corporation, there is no justification for paying a special licence fee of Rs. 100 which was introduced in order to encourage pilots to acquire knowledge of navigation. As already discussed in an earlier chapter, Flight Navigators are gradually becoming redundant. Some airlines have already dispensed with the services of Specialist Navigators and the Air-India Corporation also proposes to instal instrumental navigation aids on all aircraft after which a Specialist Navigator will not be required to form part of the flight crew. This contention of the Corporation was not challenged by Party No. 2. In the circumstances, there seems to be no justification for awarding a Second Class Navigator's Licence allowance to a member of the ground staff who may have taken the trouble to acquire this licence. There is no need to encourage the ground staff to acquire this skill because an employee who is in possession of a Second Class Navigator's Licence can make no use of it. If he takes the trouble to receive instruction in the science of navigation

and acquire a licence, he is doing so with a view to getting a better appointment, and that should be sufficient reward for his labour. In the circumstances, I am not prepared to accept the demand of Party No. 2 and reject it. The demand made by Party No. 4 has already been conceded by the Corporation in the agreement of July 26, 1965.

(xx) *Item No. 43: Radio/Telephone allowance.*

120. The demand for a radio telephone allowance was made by Parties No. 2, 4 and 6. I may say at once that the demand of Party No. 6 is entirely misconceived as its members have asked to be provided with free telephones. The matter referred, however, relates to a demand made on account of the knowledge of radio telephony. An allowance under this head was paid to pilots who were required to operate radio telephony on aircraft. By means of the agreement dated July 26, 1965, it has been agreed that with effect from 1st April, 1964, an allowance of Rs. 200 will be payable to pilots holding Flight Radio Telephone Operator's Licence.

121. With regard to Party No. 2, the claim is that workmen holding a radio/telephone licence or certificate should be paid a special allowance of Rs. 50 per month. There is, however, no justification for this demand. A Radio Telephone licence may add to the efficiency of a member of the flight crew. But it can in no way add to the value of a ground workman who has no occasion to make use of his knowledge. Other workmen may wish to improve their status by acquiring additional knowledge but this labour is amply rewarded when a person holding such a licence is promoted to a post where his knowledge will be useful to him. There appears to be no justification for giving special encouragement to the acquisition of this particular knowledge and I find no substance in the claim made by Party No. 2. As regards Party No. 6 the item is not intended to cover the case of providing telephones at residences. I therefore reject the claims of Parties No. 2 and 6.

(xxi) *Item No. 44: Check Pilots allowance.*

122. This demand which was made only by Party No. 4 no longer survives as it was settled by the agreement dated July 26, 1965 and it is agreed that an allowance of Rs. 200 per month will be payable from 1st January, 1965 to Senior Captains who are designated as check pilots. Nothing further therefore remains to be said on this item.

(xxii) *Item No. 48: Flight Engineer Instructors' allowance.*

123. A demand under this head has been made by Party No. 7 only and the claim is that Flight Engineer Instructors should be granted an Instruction Allowance of Rs. 200 per month. In the original Charter of Demands presented on April 6, 1964, the Flight Engineer Instructor was not defined and in Section III paragraph 3(h)(i) a demand was made for Instruction Allowance of Rs. 200 per month. In the Statement of Claims it was stated:

"a flight engineer instructor is a flight engineer specifically appointed by the employer to perform instruction and training duties. These Instructors have to give technical instructions in the class-room, to pilots and flight engineers. They have also to give in flight, training for would-be flight engineers. By virtue of their very specialised work they are for all practical purposes debarred from certain benefits such as post-

ings, etc., which are enjoyed by rank flight engineers. Further at times these Instructors have to undertake schedule flying duties under exigencies."

On this ground a demand was made for an Instruction Allowance of Rs. 200 per month. The demand was opposed by the Corporation and it was contended that it was based on a misconception. In paragraph 134 of their written statement, the Corporation stated:—

"Probably Party No. 7 refers to the Chief Technical Instructor and the Technical Instructors employed by the Corporation. They come under the category of Executive (Administrative) Flight Engineers. The submit that they are not 'workmen' and scope of this reference. These categories are already entitled to a special pay."

This statement was not questioned and no replication was filed by Party No. 7. In the course of the arguments, I was referred to page 6 of Exhibit U-VII/3. This exhibit is merely a statement of the duties, responsibilities and functions of Flight Engineers prepared by Party No. 7. No authority has been mentioned for the contents of this document and on page 6 the demand made in the written statement is repeated almost verbatim. It seems to me that there is some misconception on this point. The Chief Technical Instructor and the Technical Instructors are not entitled to any Instruction Allowance because their pay scales already take the nature of their duties into account. It may be that Flight Engineers are from time to time deputed to give instructions to other Flight Engineers on the ground or in an aircraft. Such duties do not warrant the payment of additional Instruction Allowance. Flight Engineers are paid wages in accordance with their scale and status, and I am not prepared to accept this demand. I, therefore, reject it.

(xxiii) *Item No. 49: Check allowance for check flight engineers.*

124. This demand is made on behalf of Party No. 7 only.

125. The demand is that all Check Flight Engineers should be paid a special allowance of Rs. 150 per month. Check Pilots are now being paid a special allowance of Rs. 200 p.m. Check Flight Engineers assume extra responsibilities and for this extra burden they must be compensated. I consider that a special allowance of Rs. 100 p.m. to Check Flight Engineers will adequately meet the demand with regard to this item and I award accordingly.

(xxiv) *Item No. 50: Salary for cadet flight engineers.*

126. This demand has been made on behalf of Party No. 7 only as none of the other Unions have any concern with it.

127. Cadet Flight Engineers, whether they are recruited directly or are chosen from the category of Aircraft Maintenance Engineers, receive a basic salary of Rs. 500 during their period of training, before they become full-fledged Flight Engineers. This salary was fixed by means of an agreement arrived at in 1960 and came into effect from October 1, 1959. It was then agreed that the Cadet Flight Engineers would receive a basic salary of Rs. 500 and dearness allowance of Rs. 155. The rate of dearness allowance have since been increased and Cadet Flight Engineers now receive a basic salary of Rs. 500, dearness allowance of Rs. 175 and interim relief of Rs. 15 granted during the course of these proceedings i.e., a total of Rs. 690 per month. The demand is that

the basic salary of a Cadet Flight Engineer should be revised and enhanced to Rs. 750 per month.

128. In view of the fact that the salary scales are being revised by me and there will be a general increase in the wages, I would increase the basic salary of a Cadet Flight Engineer to Rs. 655. He will, therefore, get a basic salary of Rs. 655, dearness allowance of Rs. 95 i.e., a total of Rs. 750. This seems to me to be an adequate salary for Cadet Flight Engineers.

129. It is to be observed that where an Aircraft Maintenance Engineer is chosen for training, he will receive his own salary if it is higher than Rs. 750/-. Therefore, the award is that the Cadet Flight Engineer will receive a basic salary of Rs. 655 unless he is already in receipt of a higher salary in which case the higher salary together with the adequate dearness allowance will be paid to him.

(xxv) *Item No. 51: Special travelling allowance.*

130. Special Travelling Allowance payable to Commanders and First Officers, was introduced in 1961. It is alleged that the reason for paying this allowance was that the Corporation had agreed to operate their jets with three pilots, but owing to the limitations of cabin construction, it became necessary to reduce the number of pilots to two. On account of the extra burden placed on pilots, the Corporation agreed to pay a Special Travelling Allowance of twenty shillings to a Commander and fifteen shillings to a First Officer while on flying duty for each complete period of 24 hours spent away from his permanent or temporary place of posting. This agreement was embodied in paragraph 36 of the Establishment Orders.

131. Flight Engineers, Navigators and Cabin Attendants contended that they should be treated in the same manner as Commanders and First Officers and they too should be paid a Special Travelling Allowance for the period which they spend away from their place of posting. On behalf of Cabin Attendants, Special Travelling Allowance at the rate of twenty shillings for each complete period of 24 hours is claimed. In the original demand made by Party No. 4, the Commanders claimed £ 3 per day and Co-pilots or First Officers £ 2 per day. Party No. 6 claimed £ 2 per day and Party No. 7 £ 2 per day. The pilot settled this demand in the agreement of July 26, 1965, and it has now been agreed that Commanders will be paid £2-10-0 per day and First Officers £ 1-15-0 per day, as Special Travelling Allowance. The question remains whether Flight Engineers, Flight Navigators and Cabin Attendants should also be paid a Special Travelling Allowance.

132. The Special Travelling Allowance is in addition to the Lay-over Allowance which is primarily intended to meet the expenses which travel entails and it is contended that the Special Travelling Allowance paid to pilots has no relation to such expenses but is being paid on the special grounds mentioned above. This contention finds ample support in the letter No. GM/100(10)B/4473 dated November 28, 1961 (U/VII/10), which was sent by the Chief Administrative Officer, Air-India, to the General Secretary, Indian Pilots' Guild, where was clearly stated that the terms suggested were "subject to a final settlement that the Boeings would be operated with two pilots". Among the terms was the acceptance of the Special Travelling Allowance demand.

133. The contention of the Corporation has not been challenged and since the pilots are being paid this special allowance for special reasons

I see no justification for entertaining the demand of the other members of the crew. The Flight Engineers had made a similar demand in 1962, but they dropped it. The claim was abandoned according to the Corporation, when the circumstances under which it was being paid to the pilots were explained to them, and on the grounds of Emergency then subsisting. Be that as it may, there seems to be no substance in this demand and I see no reason for conceding it. I accordingly reject it.

(xxvi) *Item No. 52: Emoluments of Check Navigators.*

134. A demand under this head has been made by Party No. 6 only because none of the other parties are concerned with this matter.

135. The demand is that Check Flight Navigators who are required to supervise the work of Flight Navigators' training or while doing route familiarisation, should be paid additional remuneration. Similar demands were made by Party No. 4 on behalf of Check-pilots under item No. 44 and on behalf of Check Flight Engineers by Party No. 7 under item No. 49. Check pilots are now being paid an allowance of Rs. 200 a month under the agreement of July 26, 1965, and I have awarded a special allowance of Rs. 100 per month to Check Flight Engineers. I feel that the case of Check Flight Navigators is similar and so award a special allowance of Rs. 100 per month to Check Flight Navigators also.

(xxvii) *Item No. 53: Endorsement allowance (Aircraft Maintenance Engineers).*

136. A demand under this head was made by Parties No. 2 and 5. The demand is similar to the demand under Item No. 13 which has already been dealt with.

137. In their negotiations with the Corporation, Party No. 5 dropped the demand. As far as Party No. 2 is concerned, I do not think they come within the scope of this Item because this item clearly relates to Aircraft Maintenance Engineers and to none others.

138. Those members of Party No. 2 who are not Aircraft Maintenance Engineers, cannot make a demand under this head. In any event, I find no justification for this demand. The Corporation has resisted it and it has been urged on its behalf that Party No. 2 cannot represent Aircraft Maintenance Engineers and if a workman, who is not an AME, holds an AME's Licence, it is of no use to the Corporation.

139. I have discussed this matter in detail while dealing with Item No. 13 and I am not prepared to concede this demand I, therefore, reject it.

(xxviii) *Item No. 55: Secondary Increments.*

140. The grant of secondary increment is provided by paragraph 15B of the Air-India Employees' Service Regulations which is in the following terms:

"15B. *Secondary Increments:*

- (i) Subject to the general conditions laid down in Regulation 15(i) and to the provisions of Sub-Regulation (ii) hereof, the following categories of employees shall be eligible for a secondary

increment for every 3 years' service from the date on which they reach the maximum of their grade:

- (a) Employees in grades the maximum of which does not exceed Rs. 550 p.m.
- (b) Flight Pursers, Examiners and Chargehands.
- (ii) The rate of the secondary increment shall be the rate of the increment last drawn by them and the number of such increments shall not exceed three in any one grade."

141. A demand under this head was made by Parties No. 2 and 5. Party No. 5 dropped the demand when the agreement of October 15, 1965, was negotiated. The demand of Party No. 2 is that 'every 3 years' in paragraph 15B quoted above, shall mean "on the third anniversary date of the increment including the last increment drawn date" and these words should be substituted. No justification has been shown for this demand, but the workers who will under this award be in the grade of which the maximum does not exceed Rs. 770 will be entitled to secondary increments according to term of para 15B quoted above because the old figures of Rs. 550 will now correspond to Rs. 770.

142. The present rule is the result of an agreement reached on November 30, 1961 between Party No. 2 and the Corporation. I may mention that the rule in the Indian Airlines Corporation also permits a maximum of three secondary increments which accrue every three years after the employee has reached the maximum of his grade.

143. There is no force in this demand and I reject it.

GROUP II—Hours of work, leave, etc.

144. This group comprises the following 9 items:

- 1. *Item No. 9—Over-time payment.*
- 2. *Item No. 10—Working on scheduled "off day"/holiday.*
- 3. *Item No. 12—Shift Allowance.*
- 4. *Item No. 18—Excess flying pay/excess duty allowance.*
- 5. *Item No. 22—Flight duty time and flight time limitations and rest periods.*
- 6. *Item No. 23—Leave facilities.*
- 7. *Item No. 38—Hours of Work.*
- 8. *Item No. 45—Night flying allowance.*
- 9. *Item No. 54—Meal allowance.*

1. *Item No. 9—Over-time payment.*

145. Under Section 59 of the Factories Act, 1948, when a worker works for more than 9 hours on any day or for more than 48 hours in a week, he is entitled to wages at twice the ordinary rate for the additional time put in by him. The ordinary rate of wage has been defined as the basic wage plus the usual allowances.

146. Workers in the Air-India Corporation are called upon, from time to time, to work beyond the maximum quota of hours fixed for them. Rules for overtime payment in respect of such extra work have been laid down by the Corporation under Section 45 of the Air Corporations Act,

1953. These rules provide for the payment of double the normal quantum of wages to certain classes of workmen who are mentioned in Appendix 'A' of the Service Regulations and Establishment Orders. The hourly rate is determined by dividing the monthly wages by 200. This is done on the basis of an agreement reached between the employees of the Indian Airlines Corporation and the Air Corporations Employees Union some years ago. The divisor of 200 represents the total work for 25 days in a month at the rate of 8 hours a day although in actual practice, an employee may be working for fewer hours. For certain other categories, listed in Appendix 'B', overtime payment is made on a slightly different basis. For the first $\frac{1}{2}$ hour of the overtime work no extra allowance is paid. For every completed period of 15 minutes of work done upto one hour beyond the half hour just mentioned, wages are paid at the rate of 150 per cent of the hourly wage, and for every completed period of 15 minutes of overtime done beyond $1\frac{1}{2}$ hours (half-an-hour of cushioning and half-an-hour of overtime at 150 per cent of the normal wages), overtime payment is made at the rate of 170 per cent of the hourly wage. The hourly wage is calculated by dividing the monthly wage by 165. These regulations have been in force since October 9, 1963, and are a continuation of the previous scheme of overtime payment which was agreed to on May 9, 1960. According to this agreement, it was settled that the rules prevailing in the Indian Airlines Corporation for overtime payment should apply to the employees of the Air-India Corporation also. This agreement, as already observed, was made the basis of a consent award, and has been in force since then.

147. The main demand of the employees now is that the distinction between the categories listed in Appendices 'A' and 'B' should be removed and that all employees should be paid for overtime work at the same rate viz., double the normal wages. It is also claimed that some categories of employees who are not entitled to overtime payment under the Factories Act, should also get the benefit of overtime payment, and the employees should get the same rate of overtime payment whether they work at headquarters or at outstations, and finally the cushioning period of half-an-hour should be eliminated and in the case of all employees, overtime should be counted in full. The demands were made originally on behalf of Parties 2, 3 and 5 but in the agreement arrived at between the Corporation and Party No. 5, this demand was dropped. It now survives on behalf of Parties 2 and 3 only.

148. The demand has been resisted by the Corporation and it has been alleged that the maximum hours of work fixed by the Corporation are far more favourable than the maxima contemplated by the Indian Factories Act and since conditions of work in Air-India are better than in the majority of industrial concerns, payment for overtime work need not be unduly liberal. In any event, it is urged, the rules for overtime payment are already very generous and having regard to the nature of the work and other conditions of service, there is no ground whatsoever for further liberalising these rules in order to meet the unjustifiable demand of the Unions. It has been urged that the Unions have not advanced any cogent grounds for claiming additional overtime payment. With regard to certain categories such as Assistant Superintendents and Technical Officers, it has been urged that they are not workers within the meaning of the Indian Factories Act, their work is of a supervisory nature and they are handsomely paid. They are, therefore, not entitled to any overtime payment. With regard to them, it is also urged that these officers are responsible for initiating the grant of overtime payment to other workmen and if they

were also to be paid for overtime put in by them, they would be passing orders in their own favour and this would result in abuse and malpractices. A general argument advanced on behalf of the Corporation is that too liberal a grant of overtime payment acts as a disincentive to work and workers are apt to do less work during the normal working hours so that in order to complete the tasks allotted to them, they have to sit beyond the normal hours and they do this in order to get more payment. It is also urged that the additional financial burden imposed by granting the demands would not be commensurate with the advantages gained and would indeed cause unjustifiable loss to the Corporation, because the output of work would decrease and the amount of wages paid would increase. As a final argument, it was urged by Mr. Vimadalal that only a few years ago the employers and the employees entered into a firm agreement which is still in force and there is no ground for revising the conditions of service which were accepted by the Unions just three years before the fresh demands were put forward, for in the meantime, nothing had happened to necessitate a change.

149. The main contention of the Unions is that there is no justification whatsoever for making any discrimination between the categories set out in Appendices 'A' and 'B' nor was there any justification for treating differently the employees at headquarters and the employees at outstations. The demand made by Party No. 5 is no longer before me and I need not refer to or discuss the arguments which were advanced on their behalf before the agreement of October 15, 1965, was reached.

150. With regard to the clerical staff, the demand is that any one working beyond 36 hours should be paid for overtime at double the ordinary rate. These demands prompted a counter offer by the Corporation Counsel who submitted that overtime payment would be made to clerks as well as to other workers if a 40-hour week were accepted by them. He maintained that if there is to be no discrimination in the rate of overtime payment, there should be no discrimination in the matter of normal hours of work, and since Engineers work frequently for more than 40 hours a week, the clerks should also accept a 40-hour week. Any increase of working hours, however, is not acceptable to any of the unions and this offer was rejected out of hand. I need not, therefore, pursue it further.

151. The main point for my consideration is whether the distinction between the categories listed in Appendices 'A' and 'B' should be abolished. This would automatically entail the removal of all distinctions between employees at headquarters and employees at outstations. It has been urged that overtime payment is not being made in accordance with the Indian Airlines Corporation's rules which were accepted by the parties and which should be the basis of the present practice. The award which is now in force clearly lays down that overtime payment should be made at the rates which obtain in the Indian Airlines Corporation. It is not within my province to enquire into the non-compliance of the terms of the award. For this there is another forum available to the unions. The point for my consideration is whether there are grounds for going beyond the terms agreed to by the parties and making the rule of overtime payment more favourable than the scheme of the Indian Airlines Corporation. The distinction which obtains in the IAC scheme has an historical origin. The nature of work performed by the different types of workmen is different. Some type of work is more exacting than others. Outstation workmen are not called upon to work as hard

as workmen at Bombay where the volume of air traffic is far greater than at any of the outstations. Overtime payment must be related to wage-structure and to the general conditions of service, particularly the actual hours of work. The Factories Act contemplates overtime payment only if a workman has to work at a job for more than 9 hours on any particular day and for more than 48 hours in a particular week. By far the greater majority of employees of the Corporation work for a maximum of much less than 48 hours. Overtime payment for the more exacting types of work is being made at double the normal rates. Any departures from the IAC scheme should be agitated before a Labour Court having authority to enforce industrial awards.

152. It is pointed out on behalf of the Corporation that workers sometimes arrive late for work. In such cases, it was submitted, a deduction should be made from the overtime put in by the worker before calculating the overtime payment due. But it was urged on behalf of Party No. 3 that there is no connection between late attendance and overtime work and that an employee who arrives late is liable to have a part of his wages deducted on account of late attendance.

153. A careful examination of the terms governing the payment of 'overtime' wages in the Corporation, and a comparison with conditions prevailing in some other industries listed in a statement filed by the Corporation (Exhibit M-22), shows that the employees of Air-India are receiving generous treatment in this respect, and there are no grounds for further liberalising their terms. The Engineers on whose behalf the demand was very strenuously pressed at the start, saw fit to drop it during the course of their negotiations with the Corporation. I see no force in the demand of Parties 2 and 3, and I am not prepared to grant it. I, therefore, reject it.

2. Item No. 10—Working on Scheduled "off day"/holiday

154. Section 53 (i) of the Factories Act makes it obligatory for an employer to compensate a workman who is required to work on a weekly holiday. This deprivation is compensated, by the workmen being allowed "within the month in which the holidays were due to him or within the two months immediately following that month, compensatory holidays of equal number to the holidays so lost." This provision deals only with the deprivation of the weekly "off day". It has no reference to other holidays which the employer may declare. A number of such holidays are declared by most employers and in the case of Air-India, there are 15 such holidays declared under Regulation 12 (ii) of the Air-India Employees' Service Regulations.

155. The present practice of Air-India for compensating workmen who are required to work on the scheduled "off day" or on a declared holiday, is as follows:—

(i) *Sundays or weekly "off days"*

- (a) Clerical and administrative staff are allowed a meal allowance and also a substituted "off day" according to the requirements of Section 53 of the Factories Act.
- (b) Engineering and Stores staff are allowed 25 per cent of the hourly rate of basic pay in addition to the substituted "off day".
- (c) With regard to the workmen who work on shifts, they are only given a substituted "off day" when they are required to work

on their weekly "off day" which may or may not be a Sunday according to the roster pattern or which may be a night "off".

(ii) *Declared Holidays*

A workman required to work on a declared holiday is eligible for compensation at double the ordinary rate of wages for the actual hours of work performed on such a holiday. He is not given any substituted holiday. The manner of computing the overtime payment due is set out in paragraph 15 of the Establishment Orders.

156. No demand under this item was made by Parties 3, 4, 6 and 7. Party No. 5 dropped the demand during the course of negotiating the agreement of October 15, 1965, with the Corporation. The only matter that now survives is the demand of Party No. 2. This demand is two-fold. In the first place, it is claimed that workmen who are required to work on a scheduled "off day", must be paid for that day at double the ordinary rate and should also be allowed a "compensatory" off day. The work on an "off day" must be considered to be a full day's work even if the actual hours spent on work are less. In the second place, it is claimed that overtime payment for working on a declared holiday must continue and in addition, a "compensatory" off day must also be allowed. It is also claimed that the roster should not be altered so as to give a workman his normal holiday when in the original roster he was required to work on it.

157. These demands are resisted by the Corporation and it is urged that the present arrangement is the result of an agreement between the parties arrived at on May 9, 1960. In this agreement it was settled that with regard to work on Sundays, the existing practice should continue and with regard to work on holidays, the practice which obtained in the Indian Airlines Corporation should be adopted. The present scheme was formulated on the basis of this agreement and there has been no change of circumstances to warrant a revision. It is also urged on behalf of the Corporation that the present terms are very generous and are much better than those which prevail in other industries. With regard to working on a holiday, it was contended that a holiday is normally paid for at the full rate and if a workman is required to work on such a holiday, he is paid, in addition, at double the ordinary rate. So, in the result, he is paid three times the normal rate for work on a holiday. There is, therefore, no justification whatsoever for compensating him further by allowing a substituted holiday.

158. With regard to the work on a Sunday, the case of the Corporation is that the present practice is in accordance with the requirements of the Indian Factories Act which does not contemplate the payment of any compensation for working on a "off day" if a substituted "off day" is allowed. The allowing of such a substituted holiday for the weekly holiday, is obligatory. This holiday is required for rest and the rest even if it is postponed by a few days, does not justify the payment of extra compensation. On the other hand, it is alleged by the union that by being required to work on a weekly "off day", the normal rhythm of the workman's life is upset. He cannot make plans for taking part in any social or cultural activity which is only possible on Sundays or scheduled "off days". If he wishes to go for a picnic or attend some other function, he must do so with his friends and relatives who would be free

on a Sunday or the normal scheduled "off day". By being deprived of this amenity, he loses something which must be compensated for, not merely by his being allowed a substituted holiday, but also by monetary payment. With regard to work on holidays, Counsel for the union could not adduce any cogent arguments. Declared holidays are on a different footing from the weekly "off days" which must be observed compulsorily. A worker may be deprived of a declared holiday provided he is adequately compensated. Such compensation is, in fact, given to him at double the normal rate of his wage. There is, therefore, no justification for giving him an additional substituted holiday. If a substituted holiday is to be given, there should be no payment at all for working on a holiday.

159. Let me first consider the question of compensation due for being required to work on a declared holiday. Exhibit M-28 is a statement showing the practice obtaining in some of the other industries. In only 3 out of a total of 18 industries is a substituted holiday allowed in addition to some monetary compensation for working on a declared holiday. In all other cases, compensation is paid in the form of additional wages for the work performed on a holiday. The three exceptions are:

- (i) Bombay Electric Supply and Transport Undertaking where for the first four hours a substituted weekly "off day" is given with no monetary compensation. But, for work exceeding four hours, overtime payment is made and a substituted holiday is also given.
- (ii) Premier Automobiles Ltd.—workmen are given monetary compensation in the form of half day's normal wages and if the holiday is a festival one, full day's wages. They are also allowed a compensatory holiday.
- (iii) Garlick and Co. Private Ltd.—workmen who are required to work on a holiday are paid $1\frac{1}{2}$ times the normal salary and are allowed a compensatory "off-day".

160. No statement showing the practice obtaining in other international airline companies was placed before me though at the time of the arguments, I asked the parties to furnish this information as it would have had considerable persuasive value in deciding the issue.

161. With regard to working on Sundays, the case of the unions must I feel, be viewed with a little more sympathy. There is no doubt that the Factories Act requires only the allowing of a substituted holiday. In practice, the Corporation pays a meal allowance to the clerical and administrative establishment and 25 per cent of the wage allowance to the engineering staff of certain categories set out in paragraph 16 of the Establishment Orders. There is, however, force in the argument that the normal routine of workmen who are to work on a Sunday or the scheduled "off day" is upset and he cannot plan any social or cultural activity on that day. The weekly holiday must be considered as a right rather than as an amenity which the employer grants to the workmen and the deprivation of a right needs to be compensated.

162. Exhibit M-27 is a statement showing the practice in 18 industries including Air-India and Indian Airlines Corporation. In most of them, the only compensation is a substituted holiday. In some of them, monetary compensation is paid in lieu of a substituted holiday. There are some

instances in which some monetary compensation is paid in addition to a substituted holiday. These are:

- (i) Mazgoan Dock Ltd.,—the subordinate staff are paid some compensation of which the amounts are set out in Exhibit M-27 in addition to the substituted holiday.
- (ii) Mackinnon Mackenzie & Co. Private Ltd.,—when the employees are required to work on a Sunday, they are paid at the rate of 50 per cent. of their salary in addition to the compensatory" off day.
- (iii) Larsen and Toubro Ltd.,—workmen when called to work on a weekly "off day" are paid $1\frac{1}{2}$ times the normal daily wages in addition to "compensatory" off day without wages. Thus, the monetary compensation is only half of the normal daily wage if allowance is made to the non-payment of the wages on the substituted holiday. This Management pays a day's normal wages and a paid "compensatory" day off to the office staff and draughtsmen.
- (iv) Scindia Workshop Ltd.,—workers attached to shops, are paid compensation at the rate of 50 per cent. of their wages in addition to a "compensatory" day off.
- (v) Garlic & Co. Private Ltd.,—employees are paid $1\frac{1}{2}$ times their normal wages for working on weekly "off days" in addition to being allowed a "compensatory" off day.

Therefore, it is clear that some industries do recognise the workmen's claim to monetary compensation in addition to a "compensatory" off day when he is required to work on the usual weekly "off day".

163. My attention was drawn to the observations made in the Norms Committee Report. Page 62 deals with the industries in Bombay. The Committee was of the opinion that if a workman is required to work on a weekly holiday, he is entitled to a monetary compensation at the rate of 50 per cent. of his normal wage and is also entitled to a substituted holiday. I may quote the relevant passage giving the reasons of the Committee:

"A holiday by way of a weekly off is intended to enable workmen not only to have rest and recreation at regular intervals but also to enable them to engage themselves in social activities—the essential social needs of workers as human beings. A sectional or general holiday has a social, religious or political significance. To deprive workmen of their weekly off or sectional and religious holidays is to disturb their normal expectation and upset their plans and programmes. Realising this need of workmen employers in progressive countries like the United Kingdom grant some monetary compensation in addition to a substituted or compensatory holiday. This principle of monetary compensation has been accepted by Tribunals in Bombay."

164. Party No. 5 representing the Engineers, as I have observed, abandoned their demand. According to the rules, engineers and store staff receive a compensation of 25 per cent. of the hourly rate of their basic pay in addition to the substituted "off day". It seems to me fair and just that this facility should be extended to members of Party No. 2 also. My award with respect to their demand is that members of the clerical and administrative staff will be compensated by payment of 25 per cent. of

the hourly rate of their basic pay in addition to the substituted "off day". The meal allowance which is paid to employees drawing salary of less than Rs. 650/- will continue to be paid as before.

165. Two other questions now remain—

- (i) whether monetary compensation should be paid for a complete day even though the workmen are required to work for a part of the day only; and
- (ii) whether the Management may not alter the usual roster to allow a workman to enjoy a holiday even though according to the roster he should have worked on that day.

166. According to the Corporation, these demands are unreasonable and there is no basis whatsoever for entertaining them.

167. The Management is perfectly within its rights in altering the roster so that the person scheduled to work on a holiday can be told that he can enjoy the holiday. The Management should not be compelled to retain him and pay him for that day when there is no work for him and for the same reason, a part of the day's work cannot be considered a whole day's work if the workman is to be paid at the overtime rates. Work on a declared holiday (other than the weekly "off day") is treated as overtime work and is paid for at double the normal rate. The holiday is already a paid holiday. So, the compensation is ample and there is no justification for making it more liberal.

168. The result with regard to the demand of Party No. 2 under this heading is that the members of the clerical and administrative staff will be compensated by payment of 25 per cent. of the hourly rate of their basic pay in addition to the substituted "off day". The other demands made by them are rejected.

3. Item No. 12—Shift Allowance.

169. There are certain operations in the industry which must be performed round-the-clock. Planes arrive at all hours of the day and night, the airport has to remain open all the 24 hours, and the engineering staff must be available at all hours in case their services are needed. In order to meet this contingency, shifts have been fixed for various types of duties. Some operations are performed in three shifts and some in two shifts. In the case of three shifts, the shifts are:

- | | |
|---------------------|----------------------|
| (a) Morning Shift | .. 6 A.M. to 2 P.M. |
| (b) Afternoon Shift | .. 2 P.M. to 10 P.M. |
| (c) Night Shift | .. 10 P.M. to 6 A.M. |

The normal shift is from 8 A.M. to 5 P.M. on week days and 8 A.M. to 1 P.M. on Saturdays. There is also a relief which comes into operation from 1.30 P.M. to 8.30 P.M. The different patterns of these shifts are set out in detail in Exhibit U-II/11 which may be referred to and I will here mention one or two instances only to explain the nature of these patterns.

170. In pattern 1, there is a cycle of four weeks. An employee works in the morning shift on Mondays and Tuesdays, on the afternoon shift on Wednesdays and Thursdays, on the relief shift on Friday, on the night shift on Saturday and takes Sunday "off". This completes his first week.

During the second week, he works on the afternoon shift on Monday, relief shift on Tuesday, on night shift on Wednesday, on morning shift on Thursday and Friday, on relief shift on Saturday and takes Sunday 'off'. In the third week, the pattern of the first week is repeated and in the fourth week the pattern of the second week is repeated. Therefore, during the course of the four weeks, he has four 'off' days, eight morning shifts, six afternoon shifts, six relief shifts and four normal shifts. This cycle, therefore, does not entail, any night shifts for the workmen.

171. The cycle in pattern 2 involves night shifts. On Mondays and Tuesdays there is the morning shift, on Wednesdays and Thursdays, an afternoon shift, then on Fridays, Saturdays and Sundays follow night shifts. During the second week there is a night 'off' on Monday and a day 'off' on Tuesday. On Wednesdays and Thursdays, there are two morning shifts and on the next three days, afternoon shifts. In the third week, on Mondays and Tuesdays, there are night shifts, on Wednesday there is a night 'off', on Thursday, there is a day 'off'. Then follow three morning shifts on Friday, Saturday and Sunday. The fourth week begins with afternoon shifts on Monday and Tuesday followed by two night shifts on Wednesday and Thursday; then there is a night 'off' on Friday and two days 'off' on Saturday and Sunday. Thus, for a worker who falls in this pattern, there are 7 night shifts, 7 morning shifts and 7 afternoon shifts. There are three nights 'off' and four days 'off'. The night shifts are invariably followed by a night 'off' and a day 'off' to provide rest for the 2 or 3 night shifts as the case may happen to be.

172. The third pattern is made up of morning, afternoon shifts and day 'offs'. There are 12 morning shifts, 11 afternoon shifts and 5 'off' days.

173. These patterns though complicated at first sight, have been designed to promote efficiency and to avoid imposing too much strain upon the workmen.

174. There is no doubt at all that conditions of service in Air-India make it necessary for some employees to work on shifts of this type and, therefore, to be at their jobs during hours which are not normal hours of work. There is a certain measure of inconvenience caused and to compensate this inconvenience, the Management has evolved a scheme of compensation called "Shift Allowance" described in Establishment Order No. 19, which provides as follows.

175. For each morning or afternoon shift, the worker is paid, in addition to his normal wages, 1/8th of the normal basic pay. For a night shift, he is paid 3/8th of the normal basic pay. But, no shift allowance is admissible in respect of any shift which begins at or after 7 A.M. or ends at or before 8 P.M. This is subject to modification by the General Manager in suitable or deserving cases.

176. It will, therefore, be clear that the scheme of compensation is designed to give compensation in those cases only where there is genuine inconvenience or discomfort caused. The employees are not satisfied with this scheme and Parties 2 and 5, whom alone this scheme affects, make additional demands.

177. Party No. 5 virtually dropped the demand during the course of negotiating the agreement of October 15, 1965. The matter was dealt with in the following manner:

"There will be no change in the existing provisions on the subject.

It is, however, agreed that Assistant Superintendents in the

Maintenance Division of the Engineering Dept. who are regularly rostered in shifts will be paid a compensatory allowance of Rs. 150/- per month in lieu of Shift Allowance."

178. On behalf of Party No. 2, the demand is as follows.

179. Morning and afternoon shifts must count as one hour's overtime and night shift count as $1\frac{1}{2}$ hours' overtime. A demand for compensation for a normal shift for those working in shift patterns is also made and it is claimed that a normal shift should also be counted as one hour's overtime. The workmen claim that the scheme should go beyond its present scope and should embrace such shift or other type of rotational shift or shift workers who are required to alter their scheduled shift pattern as in Transport or Maintenance shifts.

180. The demand is resisted by Air-India and it has been argued on its behalf that no other industry in the country pays a shift allowance of the type paid by the Corporation. It is further urged that the Factories Act makes no provision for the payment of shift allowance. All that Section 57 provides is that a holiday which follows a night shift will mean a period of 24 consecutive hours beginning with the end of a night shift. The Corporation has placed on record two statements (Exhibits M-16 and M-24) containing information regarding the payment or non-payment of shift allowance by a number of industrial concerns. Exhibit M-16 contains a list of 24 industries including Air-India and the Indian Airlines Corporation. Of the remaining 22, 19 are in the public sector and three in the private sector. Not a single industry in the private sector pays any shift allowance. In the public sector, there are four industries which pay small amounts of shift allowance but this shift allowance is paid only for night shifts and not for morning or afternoon shifts. For instance, Bombay Electric Supply and Transport Undertaking pays night shift allowance at the rate of 5 per cent of the basic salary to those workers who work permanently on night shifts. The Hindustan Shipyard Ltd., pays shift allowance to those employees who are required to work upto and after midnight and these employees are paid $1/10$ th of the basic salary in addition to their usual wages. The Hindustan Insecticides Ltd., pays twenty-five paise per day to those employees who work on the shift between 10 P.M. and 6 A.M. and finally the Indian Telephone Industries Ltd., pays twenty-five paise per day to its employees who work in shifts. Exhibit M-24 is a statement showing that in no less than 10 instances shift allowance was rejected where the employees had made a demand for it. The demand was in respect of night shifts or second or third shifts.

181. On the other hand, it has been argued on behalf of the union that the air transport industry is a peculiar industry and in this industry shift allowance is invariably paid. Apart from Air-India and the Indian Airlines Corporation, a number of foreign airlines pay shift allowance. Exhibit U-II/12 is a statement showing that as many as 14 air transport companies in various parts of the world pay shift allowance at various rates. According to this statement, the quantum of shift allowance is not a percentage of the workers' wages but is a fixed sum determined by agreement between the employers and the employees. The Eastern Airlines, for instance, pay 7 cents per hour in the case of afternoon shifts and 12 cents per hour for night shifts. As no information regarding the total emoluments of the employees in this company is known, it is not possible to make a comparison between the shift allowance paid by the Eastern

Airlines and by the Air-India Corporation. I am unable, therefore, to say whether the shift allowance paid by these companies is more advantageous to the workers than the amount paid by Air-India. However, it is clear that shift allowance is being paid by as many as 14 air transport companies and it may well be that the air transport industry is a special type of business in which the workers expect and the employers are prepared to pay, shift allowance. So, we may disregard the somewhat half-hearted plea made on behalf of Air-India that on a reconsideration of the entire wage-structure, shift allowance should be completely eliminated. The shift allowance is being paid and it seems to me that it must continue to be paid.

182. With regard to the quantum of the allowance, there are two points for my consideration. The contention of Party No. 5 is that shift allowance should be calculated on the basis of the total salary and in the agreement made on May 14, 1948, it was settled between the Air-India Limited and the Air-India Employees' Union that shift allowance would be a proportion of the wages and wages must be assumed to include all allowances such as dearness allowance. On the other hand, it is contended by the Corporation that "wages" in this context means basic wages and shift allowance calculated as a percentage of the basic pay has been regularly paid to those workmen who are entitled to it and no objection on this ground has ever been raised by anyone. My attention was drawn to the consent award filed before Shri Vyas in 1960 in which it was agreed that employees working on shift shall be paid shift allowance at the existing rates. The existing rates at that time were the rates set out at the beginning of this item *viz.*, 1/8th of the basic salary in respect of morning and afternoon shifts and 3/8th of the basic salary in respect of night shifts. My attention was also drawn to the recommendations of the Pay Commission that allowance for night shift should be calculated on the basis of basic pay plus the dearness allowance.

183. Another argument urged was that payment of shift allowance should be extended to all workers at all places in India. At present, this allowance is being paid only to workers at Bombay, Calcutta, Delhi and certain types of workers at Madras. This demand is resisted by the Corporation on the ground that the conditions of work at other places differ and at Bombay, Calcutta and Delhi, the shifts entail greater inconvenience to the workers than at other places and at these places the shifts are very infrequent and no compensation for those working on shifts is justified.

184. In order to determine the quantum of shift allowance, we must take into consideration a number of circumstances. In the first place, the very nature of the air transport industry involves the performance of certain functions round-the-clock. It is the Engineers who are called upon to perform these functions and they know when they enter service, that they will be required to work early and late and sometimes at night. In other industries where the work is continued round-the-clock, no shift allowance is paid except in a few industries where a small allowance is paid in respect of night shifts only. The air transport companies in other parts of the world, do make an extra payment for morning, afternoon and night shifts, but the amounts which they pay, cannot be compared to the amounts paid by the Air-India Corporation because no information regarding the total wages earned by the employees of those companies has been placed before the Tribunal. The Engineers have, in their agreement of October 15, 1965, conceded the adequacy and reasonableness of

the prevailing rates of shift allowance by giving up the demand and accepting a slight modification in the case of Assistant Superintendents in the Maintenance Division only.

185. My attention was also drawn to another grievance of the employees viz., that those who work on shifts are occasionally put to unnecessary inconvenience. Exhibit U-II/19 which was placed before me contains the details of an incident which took place on August 15, 1962, when certain employees of Air-India detailed to report at a late hour of the night (223C) were told on arriving at the airport, that their services were not required. If these facts are correct, then, a certain measure of inconvenience must necessarily have been caused. It seems to me however, that this is an isolated instance and may either have been the result of an error or was a consequence of unforeseen circumstances. The matter has been brought to the notice of the Management and I have no doubt at all that action is being taken upon it and if the employees concerned have a genuine grievance, the Management will give them redress or relief. Occasional instances of this kind are, perhaps, inevitable and unavoidable and a solitary instance brought to my notice does not warrant the making of general remarks or the giving of any specific directions on my part, and I refer to it only because some capital was sought to be made out of it during the course of arguments.

186. After considering this matter most carefully, I am unable to hold that the present rules need to be amended or liberalised. The Engineers have thought it fit to accept the present conditions and I reject the demand of Party No. 2 under this item.

4. *Item No. 18—Excess flying pay/excess duty allowance.*

187. Owing to the strain imposed by long hours of flying, limitations on flying hours have been laid down. If these hours are exceeded, an excess flying allowance is paid. The rules now in force were made in 1960 after the introduction of jet aircraft. Under these rules, a commander was being paid Rs. 20 for each hour in excess of 80 hours in any consecutive 30 days. The first officers, flight navigators and flight engineers are paid Rs. 15 per hour. Flight pursers are paid Rs. 6 and assistant flight pursers and air hostesses are paid Rs. 5 per hour. By the agreement with the pilots these rates were revised and whereas the flying time limitations remain at 80 hours for 30 consecutive days, commanders are to be paid at the rate of Rs. 50 for each hour in excess of 50 flying hours and first officers are to be paid Rs. 35 per hour in excess of 50 hours per month.

188. There was no demand by Party No. 3 and Party No. 5 and the demands by the remaining parties had relation to duty time rather than flying time. Flying time is defined as the total time from the moment an aircraft first taxies out under its own power for the purpose of take-off to the moment it comes to rest at the end of the flight. This is also called "block to block" or "chock to chock" time. The duty time is a little longer and begins when the flight crew reports at the airport and ends when the flight crew completes its routine duties at the end of the flight. The demand of the parties is that excess flying allowance should be paid whenever duty time exceeds 100 hours per month. The rates demanded are:

- (i) Rs. 60 per hour by commanders,
- (ii) Rs. 45 per hour by first officers,
- (iii) Rs. 50 per hour by flight navigators, and
- (iv) Rs. 35 per hour by flight engineers (as subsequently amended).

Party No. 2 claimed an allowance for every hour flown in excess of 56 flying hours at the following rates:

- (a) Cargo/live stock attendants—Rs. 10 per hour.
- (b) Assistant flight purser and air hostess.—Rs. 10 per hour.
- (c) Flight pursers—Rs. 12.50 per hour.

The Corporation, while not conceding the demand made by the unions, expressed its willingness "to consider marginal adjustments in the rates of excess flying pay presently in force, to certain categories of flight crew."

189. It was urged on behalf of the unions that the rates of excess flying pay were fixed when the jets had not been working for a sufficiently long time to make a true impact of the strain and fatigue involved in long hours of flying in jet aircraft and these rates, therefore, need be revised and substantially increased. The Corporation clearly realises this circumstance and has expressed its willingness to make certain adjustments. In view of this admission, I need not discuss the matter at great length and I propose to make an adequate increase for the excess flying pay to which the various classes of the flight crew are entitled. The commanders now receive Rs. 50 per hour in excess of 50 hours of flying per month. The first officers receive Rs. 35 per hour. Flight navigators and flight engineers rank below first officers and in their case I award an increase of Rs. 10 per hour i.e. from Rs. 15 to Rs. 25 per hour. In the case of flight pursers I award an increase of Rs. 4 per hour i.e. from Rs. 6 to Rs. 10 per hour. In the case of assistant flight pursers and air hostesses, I award an increase of Rs. 2.50 per hour i.e. from Rs. 5 to Rs. 7.50 per hour. In all cases, excess flying pay will be paid when the flight time exceeds 50 hours per month. There is no justification for making any adjustment of the duty time or relating the excess flying pay to the increase in duty time. It is the actual flying which imposes an additional strain on the flight crew and not the time taken at the airport in discharging the usual routine duties.

5. *Item No. 22—Flight duty time and flight time limitations and rest periods.*

190. This item relates only to the flight crew viz., the commander, first officer, flight engineers, flight navigators and cabin attendants. There was no demand made on behalf of Party No. 3 and Party No. 5, but the case of such cabin attendants as are members of Party No. 3, will be covered by considering the demands of Party No. 2.

191. The need to fix limitations of flight time and flight duty time and to provide for rest periods, arises out of the safety factor which comes into operation because of the fatigue for long hours of flying in modern jet aircraft. It must be stated at once that this is the only matter which must go to determine the limitation of flight time and the fixing of rest periods. It is now generally recognised that jet flying involves an unusual degree of fatigue and nervous strains. The safety factor is part of the duties of the Civil Aviation Department in this country and it is the Director-General of Civil Aviation who, by taking into consideration all the circumstances of the case, is authorised to fix the upper limits of flying time. Such a limit has been fixed under Rule-408A of the Indian Aircraft Rules, 1957. There is no ceiling on the number of hours which can be flown by a pilot within a period of 24 hours, but it is provided that no pilot should be made to fly for more than 125 hours in any period of

30 consecutive days. It may be assumed that the Director-General of Civil Aviation had taken into consideration the results of modern scientific investigation into the type of fatigue to which members of the flight crew are subject in jet airplanes. The Federal Aviation Agency of America has also laid down rules and I may quote from Civil Air Regulations (FAA—USA) No. 41.321. This rule was revised on March 1, 1963:

"41.321. FLIGHT TIME LIMITATIONS FOR AIRPLANES HAVING TWO PILOTS AND ONE ADDITIONAL FLIGHT CREW MEMBER.

- (a) A pilot may not be scheduled to fly a total of more than 12 hours during any 24 consecutive hours.
- (b) When a pilot has flown 20 hours or more during any 48 consecutive hours, or 24 hours or more during any 72 consecutive hours, he must receive at least 18 hours of rest before being assigned to any duty with the air carrier. In any case each pilot shall be relieved from all duty for not less than 24 consecutive hours during any 7 consecutive days.
- (c) A pilot shall not fly as a member of the flight crew more than 120 hours in any 30 consecutive days or 300 hours in any 90 consecutive days.
- (d) A pilot shall not fly as a member of the flight crew more than 1,000 hours in any 12-month period."

192. On behalf of the workmen, a number of documents have been placed on record. These are copies of articles and reports published in various magazines and their purport merely is that jet crew fatigue is an important matter to be taken into consideration as it concerns the safety of the passengers and of the flight crew. I need not discuss the various arguments given in these articles as it is now generally accepted that the jet imposes greater strain than the piston-engined aircraft because of the former's faster speed and more complex mechanism. All the parties demanded a reduction in the maximum hours of flight time and flight duty time, and an increase in the rest periods. The pilots entered into an agreement with the Corporation on July 26, 1965, as already stated, and under the terms of this agreement, certain limitations were fixed. Broadly speaking, flight time limitation was fixed at 9 hours and flight duty time at 12 hours. It was also provided by this agreement that no pilot will be made to fly for more than 2 consecutive nights. The periodic flight time limitations were (a) 35 hours for 7 consecutive days, (b) 50 hours for 15 consecutive days, (c) 80 hours for 30 consecutive days, and (d) 800 hours for one calendar year. The total hours of duty for any 30 consecutive days was limited to 200 hours. The length of rest periods enroute was also fixed by this agreement.

193. Flight engineers, flight navigators and cabin attendants have asked for even lower limitations of flight time and flight duty time. It seems, however, that the case of flight engineers and flight navigators does not merit more favourable consideration than the case of pilots. The strain of manning the aircraft is greatest upon the pilot. The limitations fixed in the agreement referred to above, are well within the limitations sanctioned by the Federal Aviation Agency of the United States of America in which the safety factor has been abundantly provided for. In the circumstances, it cannot be said that the flight engineers or flight navigators

will not be able to operate efficiently if the limitations which obtain in the case of the pilots are made applicable to them also.

194. The flight navigators were negotiating with the Corporation in 1962 and the Corporation wrote a letter (Exhibit M-92) to the Indian Flight Navigators' Guild, on October 11, 1962, agreeing to the scheduling of navigators on the basis of 9 hours flight time and 12 hours flight duty time and 16 hours flight duty time during any consecutive 24 hours in order to cover delays. This was accepted by the navigators on December 19, 1962, on a tentative basis, in view of the National Emergency then existing. Whatever little evidence of other airlines has been produced, shows that flight engineers and flight navigators are usually bracketed with regard to flight time and flight duty time limitations and since the crew flies as a unit, it seems to me just and reasonable that the flight engineers and flight navigators should be governed by the same rules with regard to flight time and flight duty time limitations and rest periods as the pilots under the agreement of July 26, 1965, and I award accordingly.

195. With regard to the cabin attendants, it seems to me that there is no need to fix any limitations. They are not subject to the same stresses and strains as the members of the operating crew. In practice, however, the limitations will work out to be the same as those which obtain in the case of the operating crew. There may, however, be cases in which these limits are exceeded in the case of the cabin attendants and I do not wish to hamper the working of the schedules unnecessarily. No safety factor is involved as far as the working hours of the cabin attendants are concerned. I see no force in their demand, and I reject it. No harshness will result from this rejection because as I have already stated, in practice, they will enjoy the same privileges and benefits in this matter as the members of the operating crew.

6. Item No. 23—Leave facilities

196. The leave facilities provided by the Corporation are set out in regulations 22 to 29 of the Air-India Employees' Service Regulations. These regulations are based on the terms of an agreement arrived at between the parties on April 1, 1959. No demand by Party No. 2 was made during the course of the arbitration proceedings before Shri Vyas. Briefly speaking, leave is of the following types :

- (i) Casual Leave which is allowed upto a maximum of 10 days per year but not more than 3 days can be taken at any one time. Holidays intervening are counted as casual leave but not holidays prefixed or suffixed to casual leave.
- (ii) Special Casual Leave—where an employee being a representative of an Association of the Employees recognised by the Corporation, is required to attend an annual general meeting or executive meetings or any international meetings or conferences, this type of leave is allowed upto 10 days per year. Any excess is debitable to the normal casual leave.
- (iii) Privilege Leave is allowed at the rate of 30 days per 12 months of continuous service and after the first 12 months, at the rate of 2½ days per month. This leave can be accumulated upto a maximum of 90 days.

- (iv) Sick Leave to the extent of 14 days per year in the case of flight crew and 10 days per year in all other cases. Sick leave can be accumulated upto 45 days with full pay and may be availed of on half pay for double the period i.e., upto 90 days.
- (v) Special Sick Leave—this is given at the rate of 15 days per year of completed service to the operating crew on full pay and 30 days on half basic pay to employees of other categories. This leave is granted only in cases where employees are suffering from tuberculosis, leprosy or cancer. The leave can be accumulated upto a maximum of 180 days.
- (vi) Exgratia sick leave is granted at the discretion of the General Manager for a period of 30 days on half pay (basic) and half dearness allowance for every two years of completed service subject to a maximum of 60 days during the entire period of the employee's service.
- (vii) Disability leave is allowed to an employee who is injured in or during the course of his employment or contracts an occupational disease.
- (viii) Study Leave—Leave without pay (if there is no leave standing to the employee's credit) is granted for purposes of study.
- (ix) Maternity Leave is granted to women employees in accordance with the local laws—according to the scheme of social or health insurance and if such a scheme does not obtain, leave is granted for a period not exceeding 90 days or upto the end of six weeks from the date of confinement whichever is earlier.
- (x) Quarantine leave is granted for a period not exceeding 30 days. This leave is not granted to an employee who himself is suffering from an infectious disease and to him the normal casual sick or privilege leave as may be due, is granted.
- (xi) Sports Leave is granted to an employee selected to represent the country, State or the Corporation in some competitive sport upto a maximum of 30 days in any financial year.
- (xii) Extraordinary Leave is granted on compassionate grounds by the General Manager.

197. All parties made demands under this item and claimed more liberal leave facilities. In the agreement with the pilots arrived at with the Corporation on July 26, 1965, the demand was dropped and it was agreed that the leave rules obtaining at present would continue to operate. The aircraft maintenance engineers too did not insist upon any major change when they settled their demands on October 15, 1965. This is the manner in which the item of leave facilities was dealt with in the agreement:

"It is agreed that if an employee who is granted disability leave for 90 days under the existing provisions is declared medically unfit to resume duties, he may be granted at the discretion of the General Manager an extension of such disability leave for a further period not exceeding 274 days which shall be on half basic pay plus dearness allowance."

The All-India Aircraft Engineers' Association, therefore, abandoned its demands with regard to the increase in the quantum of the various types of leave. The remaining four parties, however, persisted in their demand

and generally speaking on their behalf, the demand is that they should be allowed to earn the leave at the rate of 48 days per year of service and this should be allowed to accumulate upto a period of 180 days.

198. With regard to casual leave, the claim is that the maximum period should be 5 days at a time and not 3. They claim that sick leave should be earned at the rate of 21 days per year and its accumulation upto a period of 95 days should be allowed. They also claim that employees should be entitled to take study leave on certain terms. On behalf of the cabin attendants, it is urged that they should be entitled to the same privileges as the members of the flight operation crew.

199. The Corporation, in its written statement, conceded that privilege leave may be allowed to be accumulated upto a period of 120 days and that with regard to sick leave, all members of the flight crew may be governed by the same rule. The remaining demands on this item were opposed by the Corporation.

200. There is also a demand that privilege leave which has not been taken should be allowed to be cashed. The Corporation, on March 9, 1965, offered to all members of the operation crew that they could take leave on double pay but the period of leave should not be more than half of the total leave standing to the credit of the employees concerned. This offer, however, was made for a limited period and was not intended to remain permanently open. The encashment of leave which has been earned but not enjoyed in this manner is not an outrageous demand. It may be that leave had been refused because of the exigencies of service or because a particular man could not be spared from his duties. Leave rules entitle him to certain periods of rest on full pay and he can be compensated by being given half the amount of leave due on double pay, or merely by permitting him to cash his leave. Such encashment, however, can only take place at the end of service by retirement or resignation or in the event of a disability. It is in the nature of leave granted to a Government servant after retirement when it has not been possible to permit him to take leave during his service. On refusal of leave applied for, a Government servant is permitted to take leave which is due to him and which can be taken according to rules, after the date of retirement. There is no reason why this facility should not be made available to the workmen of Air-India. The quantum of leave permissible under the regulations is, in my view, adequate and there is no justification for increasing either the amount of casual leave, privilege leave, sick leave or special leave. With regard to study leave, there appears to be no need to say anything because study leave may be granted by the General Manager according to the procedure prescribed by him. I am not satisfied that the present state of affairs is, in any way, unjust or harsh with regard to study leave. I, therefore, make my award as follows.

201. Privilege leave may be accumulated upto a period of 120 days. All members of the flight crew will be entitled to equal treatment under Regulation 24A. Leave earned but refused to a workman during his service will be allowed to be cashed when the service of the workman comes to an end either on retirement or resignation or on disability. The remaining demands of the parties on this item are rejected.

7. *Item No. 38—Hours of work.*

202. The present position is governed by paragraph 11(iv) of the Corporation's Regulations and the various orders issued from time to

time. The maximum number of hours of work laid down for all categories of employees is 48 hours per week. An employee may, however, be required to work overtime in which case payment for such overtime is made according to the rules made by the Corporation.

203. In fact, there is a very small number of employees who are called upon to perform their duties for the maximum period of 48 hours per week. The statement (Exhibit M-18) shows the working hours of different categories of employees in the Corporation and this shows that the working hours vary from 30.96 hours to 48 hours. The 48-hour week, obtains only in the case of drivers, chowkidars, etc. The clerical and technical staff work for much shorter hours and to give a few instances (the complete details are available in Exhibit M-18), a senior telephone operator works on an average 34.38 hours per week, the assistant security officer and stenographers in the head office work for the same number of hours, and dressers and sweepers, in the medical clinic, work on an average, 40.34 hours per week. The clerical and administrative staff have a 36-hour week. Mechanics, cleaners and aircraft maintenance engineers Grades I, II and III, work on an average, 42.98 hours per week. By far, the majority of workmen do not work for more than 42 hours per week.

204. A statement placed before the Tribunal (Exhibit U-II/16) by Party No. 2, shows that the clerical staff work on an average 34.38 hours net (excluding meal times, tea intervals etc.) while the single-shift workers, work 40.34 hours per week. Men working on two-shifts system work 38.62 hours per week and on the three-shift system 35.66 hours per week.

205. No demand in respect of this item was made by the pilots (Party No. 4). Party No. 5 reached no settlement regarding it and the matter was left for my decision.

206. The demand of Parties 2, 3 and 5 is for the reduction of the working hours. On behalf of Party No. 2, it is claimed that the weekly working hours including the half-an-hour's break should not exceed 36 hours for the clerical and administrative staff and 40 hours for the works staff. They also demand a five-day working week and work on the two remaining days to be treated as if it were work on the scheduled "off" days. Further, it is claimed that at Indian outstations, the reporting hour should be one hour before the flight and two hours after the flight time. Or, in the alternative, the weekly hours should be made the same as in the case of the workers at Bombay. It is also claimed that a duty roster should be prepared for all classes and categories of employees and notified beforehand. These duty rosters should indicate the rest period for each shift or relay, and finally, it is claimed that the existing shift working in the Maintenance Division or in departments which follow Maintenance working pattern should be worked out within the five-day working week without affecting the entitlement of a 'night off' for any consecutive two or three nights within the five-day week.

207. On behalf of Party No. 3 (Air-India Employees' Union), it is claimed that the maximum working hours per week should be 35½ hours (net) for the clerical and administrative staff and 39½ hours for the engineering and technical staff.

208. On behalf of Party No. 5, there is a demand for a 40-hour week and for certain adjustments to be made in the shift patterns to avoid

inconvenience to the employees. It is alleged on behalf of Party No. 5, that changes are made by the Corporation without "giving proper thought and consideration to the convenience of the engineers and the facilities for transport available to them." Lastly, they claim that the rest period should be not less than 12 hours and that it should increase *pro rata* when the engineer is required to work overtime.

209. These demands are vehemently repelled by the Corporation and it has been contended by Shri Vimadalal, Counsel for the Corporation, that no case whatsoever has been made out for any reduction in the working hours. He pointed out that the matter was considered last on May 9, 1960, in the agreement placed before Shri Vyas. Previously, there was an agreement on May 4, 1959, on this matter and it was decided to postpone its consideration. The matter then came up for consideration during the course of the reference before Shri Vyas and it was agreed that the previous practice with regard to the number of working hours per week should continue. Shri Vimadalal argued that since this agreement was reached, conditions had in no way changed and there was, therefore, no justification whatsoever for reducing the number of hours. He submitted that the Corporation was in favour of a universal 40-hour five-day week applicable to all employees of the Corporation. On this basis, the parties had a meeting of the Labour Relations Committee on September 25, 1964. At this meeting, representatives of the Corporation and of the employees were present. The Committee recommended that the experiment of a five-day week may be tried in some units of the Corporation which observe normal working hours in such a way that their total weekly hours did not exceed the existing figures. The workmen are not agreeable to any increase in the number of hours if the five-day 40-hour week would entail such increase in the case of any of the employees, even though in the case of many more, a net reduction may be the consequence.

210. Shri Vimadalal went on to point out that in recent years, the Corporation has undertaken considerable additional financial burden of a recurring type. For instance, as the result of an agreement made on May 9, 1960, an extra expenditure of Rs. 21.00 lakhs per annum had to be incurred. As a result of subsequent agreements with the representatives of the flight crew, another addition of Rs. 15.15 lakhs per annum was made to the wage bill. As a result of an agreement made with Party No. 5, an annual expenditure of Rs. 4.70 lakhs is being incurred. Interim Relief involving an extra expenditure of Rs. 10.50 lakhs per annum has been granted. The agreements with the pilots (July 26, 1965) and aircraft maintenance engineers (October 15, 1965), reached during the course of these proceedings, have further increased the recurring expenses and these additions to the wage bill, have had a serious effect on the economy of the Corporation and the reduction of working hours would entail additional cost without any just cause.

211. Shri Vimadalal pointed out that the Factories Act laid down a 48-hour week as also did the Shops Act. In a large number of industrial concerns, weekly hours of work are much more than those observed by the employees of the Corporation. For instance, in Zandu Pharmaceuticals, Unichem and Kemp & Co., the hours of work are 48 per week. In Pharmed, the hours are 44 per week. In Chemo Pharma, temporary workers work for 48 hours per week and the permanent employees work for 45 hours. In the Oriental Pharmaceuticals, the employees work 46½ hours per week. The employees of Sigma Laboratories work

47 hours per week and the employees of Khandelwal Laboratories work 47 hours per week. These figures are given in the Meher's Award—reported in the Industrial Court Reporter, November 1964, pages 717-718—and Bombay Law Reporter—page 373.

212. The Corporation has also placed on record a statement (Exhibit M-21) showing the hours of work in a number of industrial concerns and this statement shows that the working hours of the Air-India Corporation are more advantageous than those which obtain in the industries mentioned in the statement. To take a few examples from the Public Sector, the employees of the Maharashtra State Road Transport Corporation and of the Bombay Electric Supply and Transport Undertaking, work 36 hours in the case of clerical, administrative and non-technical staff and 48 hours in the case of the other staff. In the National Instruments Limited, these figures are 39½ hours and 45 hours respectively. In the case of Heavy Electricals (India), office staff work for 41 hours per week and the industrial and technical staff for 48 hours per week. Drivers work 45 hours per week. In the Private Sector, the employees of Metal Box Co. of India Ltd., work 36½ hours in the office and 48 hours in the factory. The same hours obtain in the case of Garlick & Company Pvt. Ltd. Exhibit M-21 gives the complete figures for as many as 23 different industries including Air-India.

213. Shri Vimadalal, therefore, argued that employees of the Corporation have no grievance whatsoever and that their hours of work are already low compared with the hours of work obtaining in other industries. Comparison between the industries may not always be apt because the Air-India Corporation has its own problems and its work is of a special nature. But, it is nevertheless true that in many instances, the nature of the work is similar. For instance, chowkidars, clerical and administrative staff, drivers and to some extent, maintenance engineers have similar functions to perform in almost all the industrial manufacturing concerns.

214. With regard to the offer of a five-day 40-hour week, and the workmen's objections against it, Shri Vimadalal conceded that had the Tribunal been concerned only with the question of hours, then, since no demand was made by the Corporation for the increase of hours, the Tribunal could not be asked to impose a 40-hour week on those employees who were at present working less than 40 hours. But, Shri Vimadalal argued, that if in the overall scheme the Tribunal considered that a 40-hour week taken with other benefits conceded or granted was of advantage to the workmen, there could be no objection to increasing the hours of work of some of the employees.

215. The questions for my consideration are therefore two—(i) whether it is appropriate and just to impose a universal five-day 40-hour week on all the employees of the Corporation and (ii) whether there is any justification for a reduction in the hours as claimed by the various parties.

216. Party No. 2 did not make any demand on this score in the original charter. It was only after the statements from the parties were called for that the present comprehensive and multifarious demands were put forward.

217. Party No. 5 is willing to accept the five-day 40-hour week because the members of this Union all work for more than 40 hours per week and therefore, the acceptance of the Corporation's offer will be beneficial to members of Party No. 5.

218. After giving the matter my earnest consideration, it seems to me that the present system of working hours is in the best interests of the Corporation from the point of view of productivity and efficiency, as also in the interest of the workmen who are not prepared to accept a 40-hour week if it entails any increase in the weekly hours of work. To fix a five-day week involving 40 hours of work, would reduce the productivity (or increase the cost by the incidence of overtime pay) of the engineers, besides such a measure is wholly unacceptable to Parties 2 and 3. In the circumstances, I would let the present state of affairs continue and reject the demand of all parties.

8. Item No. 45—*Night flying allowance.*

219. Since a great deal of flying by the aircraft of the Corporation is done during the hours of night, a demand has been made that a special night flying allowance be paid to the workmen who are members of the flight crew. There is no demand on this score by Parties 3 and 5. It may be mentioned that the workmen who are likely to be affected by this benefit are also members of Party No. 2 and, therefore, cabin attendants who fly at night have made their demand through Party No. 2. No members of Party No. 5 are likely to be engaged on night flying and so no demand on their behalf can be expected. The demands of the other parties may be set out as follows:—

220. Party No. 2 claims that :

- (i) weightage should be given for flight duty by night at the rate of $1\frac{1}{2}$ times for every hour flown;
- (ii) no cabin attendant should be scheduled for more than two nights of flying in succession; and
- (iii) flight pursers should be paid a night flying allowance of Rs. 8 per hour and assistant flight pursers and air hostesses an allowance of Rs. 6 per hour.

221. On behalf of Party No. 4, it is claimed that weightage should be given to pilots for flying by night at the rate of $1\frac{1}{2}$ times for every hour flown, commanders should be given Rs. 10 per hour and first officers Rs. 8 per hour. Similar demands are made by Parties 6 and 7. Party No. 6 claims night flying allowance at Rs. 10 per hour and Party No. 7 claims weightage at the rate of $1\frac{1}{2}$ times for every night hour flown and a night allowance of Rs. 10 per hour.

222. The demand is resisted by the Corporation and it is pleaded on its behalf that such allowance is not justified because whatever physical or mental strain is involved in night flying is taken into account in determining the flight and duty hours of flight crews with appropriate provisions for rest periods. It is further contended that some night flying is inherent in the very business of an international airline and a premium rate of payment either in the form of allowance or weightage is totally unjustified. Lastly, it was contended that the total emoluments of flight crews are determined on taking this factor into consideration. It was argued that owing to international agreements and requirements, a good deal of international flying has to be done

at night and, therefore, night flying is normal feature of the international air transport business. On behalf of the unions it was contended that at least two other airlines, viz., the Indian Airlines Corporation and the KLM give night flying allowance by weighing the hours of night flying as compared with the hours of day flying. Apparently no other airlines provide this extra benefit to members of the flight crew for no evidence to this effect was produced before me. Even the contention with regard to KLM was not supported by any documentary evidence. However, even if it is accepted that the Indian Airlines Corporation and the KLM give a certain measure of weightage on account of night flying, it cannot be taken as a ground for enhancing the rate of night flying in the case of the Corporation crews. The routes of the Indian Airlines Corporation are, with two exceptions, internal routes and no question of international requirements or agreement is involved. Thus, it may be assumed that day flying is the normal pattern and so some additional compensation is paid on account of night flying. The evidence with regard to KLM is not at all definite and I was not shown any document from which the special reason for paying such allowance may be gathered. There seems to be no justification for departing from the general rule of other airlines and for introducing this additional benefit in the case of the Air-India Corporation. When the case of the pilots was being negotiated, they dropped this demand. The case of the other members of the flight crew is, in no way, deserving of more favourable consideration and I am not satisfied that cogent grounds exist for awarding night flying allowance to any member of the flight crew. This demand must, therefore, be rejected and I reject it.

9. Item No. 54—Meal allowance.

223. The present position is stated in paragraph 18 of the Establishment Orders which may be quoted in full:

"18. Meal Allowance:

(i) Subject to the provisions hereinafter contained, Meal Allowance at the rates specified in clause (ii) may be granted to an employee based in India, in a scale of pay the maximum of which does not exceed Rs. 650 per month, if—

(a) he is required to work on a Sunday or a Holiday prescribed under Regulation 12(ii) or on a Saturday, if it be, half working day, upto 2 P.M.

(b) he, being on normal shift, is required to work beyond 9 P.M. on a week day,

or

(c) he is required to work during his meal interval if he is not given a corresponding time 'off'.

(ii) Meal Allowance will be paid at the following rates:

Basic Pay	Lunch/Dinner
Rs. 50-00—199-00	Rs. 1-50
Rs. 200-00—399-00	Rs. 2-50
Rs. 400-00—650-00	Rs. 3-75

(iii) An allowance at 50 per cent of the rate mentioned in clause (ii) may be granted if an employee is required to work through the breakfast hours, i.e. 6.30 A.M. to 9.00 A.M., when the breakfast hours do not form part of his scheduled duty hours.

- (iv) Allowance under the foregoing clauses may be also granted to an employee when he is required to be away from his normal place of work on duty during the period of Lunch/Dinner/Braekfast hours.
- (v) No allowance under the foregoing clauses will be granted in cases where Overtime Allowance or Holiday compensation is payable in respect of the same period (of work) for which the Allowance is claimed. Likewise, Meal Allowance will not be admissible if an employee is required to work on Sunday, Holiday or Saturday, as a result of his shift duties.
- (vi) Where absence from normal place of work during meal, recess is so frequent as to form a normal feature of the employee's duties, he may be paid a consolidated Meal Allowance at a monthly rate to be determined by the General Manager with due regard to the circumstances of each case. The monthly meal allowance will be payable during all kinds of leave with pay other than privilege leave."

224. No claim has been filed by Parties 3, 4, 6 and 7 on this matter. Parties 2 and 5 filed a claim but Party No. 5 dropped it when the agreement dated October 15, 1965, was reached. The main contention of Party No. 5 was that the benefit with regard to Meal Allowance should be extended to employees drawing a salary of more than Rs. 650 per month and the quantum should be substantially increased. This was resisted by the Corporation on the ground that better paid employees could well afford to buy a meal when the need arose. This appear to have been conceded by the union and the demand was dropped. The only demand before me now is the demand of Party No. 2 which is in the following terms:

- "61 (A) Meal Allowance should be paid when employees are required to work on their scheduled 'off' days including weekly off days.
- (B) The allowance should also be payable when the employee is away on duty from his normal place of work or reporting.
- (C) The allowance should be admissible in the event of working on a Saturday, which is a half day, beyond 2 P.M. or beyond 8.30 P.M. on a weekday.
- (D) The allowance should be admissible notwithstanding the fact that the employee concerned is entitled to 'off' overtime or holiday overtime or compensatory allowance.
- (E) The meal allowance should also be paid in case of 'work through break' in addition to payment of overtime for such period."

225. These demands were vehemently contested by the Management and it was urged that the giving of meal allowance is a special benefit which Air-India provides for its employees. No other industry gives any meal allowance and late hours or delays are compensated in other ways, e.g., overtime payment. It is also contended that the present practice is in pursuance of an agreement arrived at between the parties on April 1, 1959, and since this agreement was entered into, no change of circumstances has taken place and no ground whatsoever has been shown why the scheme which was agreed to a few years ago, should be revised and liberalised. It was pointed out that Party No. 2 had not included this demand in its original charter upon the basis of which the present reference was made. Party No. 2 has now chosen to make this demand following the example of Party No. 5. Finally, and perhaps, this, accord-

ing to Air-India, is the strongest argument against the acceptance of the demand, the Corporation is already doing a great deal for its employees in providing them cheaper meals. In addition to the restaurant at the Santa Cruz airport which is open to everyone and at which the charges are moderate, there is a subsidised restaurant which is available to the employees and at this restaurant, the meals are extremely cheap and well within the purse of the lowest paid employees. Information regarding this restaurant or canteen was placed before the Tribunal and a Staff Notice No. 54/61-62 dated March 30, 1961, sets out the extent to which this canteen is being subsidised. In 1955-56, a deficit of Rs. 33,665 was made up by the Corporation. In the following year, the loss was more than Rs. 57,000. In 1957-58, the subsidy rose to more than Rs. 70,700 and in the year 1959-60, the extent of the subsidy was Rs. 1,47,582. Shri Vimadala stated at the Bar that in the last year, the subsidy was about Rs. 2.00 lakhs. A tariff of the various foodstuffs available in the canteen and the price charged for them, is attached to the Staff Notice and a perusal of it shows that the charges are extremely low. For instance, sandwiches whether of egg, mutton, fish or vegetable, cost only fifteen paise each. A dish of egg, mutton or fish curry or fried fish is only twenty-five paise. A dish of mutton or fish cutlet costs only twenty-five paise. Even such standard articles as cigarettes are slightly cheaper in the canteen than in the market. A whole meal comprising 2 balls of rice, 1 wati dal, 1 wati vegetable, 2 chappatis or 4 purees and 1 papad can be had for as little as 35 paise. A non-vegetarian meal is available for 60 paise.

226. It was said that the canteen is open during certain hours only and that if an employee is delayed at his work, he cannot avail himself of the services of the canteen. Perhaps, the Corporation can see its way to extend the hours of the canteen though this must depend on the volume of actual demand. It is obvious that the canteen and its entire staff cannot be made available for the sake of one or two employees only. Also, this would add to the cost and further increase the quantum of subsidy. This is a matter which, I am sure, can be settled between the Corporation and the employees and is scarcely within the scope of my enquiry.

227. A meal allowance of this type is not intended to be an extra benefit or an excuse for increasing the emoluments of the employees. It is intended to compensate to some extent the inconvenience or extra expense occasioned by a disturbance in the normal working hours or place of business. The meal allowance is paid because the employee is away from his normal place of business or is delayed at work. The lower paid workman needs this compensation more because for him the margin of extra expenses is smaller than for a higher paid employee. There is, therefore, some justification for fixing a wage limit below which only the meal allowance is admissible. It must be remembered that the Air-India Corporation is the only concern which provides this benefit to its employees. It was frankly conceded before me by Counsel for the Unions that to their knowledge meal allowance is not paid by any other industry in India. For the same reason, the quantum of this allowance should bear adequate proportion to the status of the employee and the sort of meal he would normally have and the amount of money he would normally spend if he were buying a meal for himself.

228. It was argued on behalf of the Corporation that if a workman drawing a salary of less than Rs. 650 p.m., to suit his own convenience and not when he was on the business of the Corporation, had to buy a meal, he would not ordinarily spend more than the amount which has been fixed

by paragraph 18 of the Establishment Orders. It would, therefore, be unjust to increase the meal allowance and so permit a luxury to an employee which he would ordinarily enjoy merely because he has been delayed at work or had to go out on the business of the Corporation. The inconvenience of working late or having to go out is compensated by other means *viz.*, overtime payment or shift allowance if he happens to be one of those workmen who work in shifts. The case of the flight crew, it was urged, was entirely different and the nature of their duties, entitles them to the special privilege of being provided their meals or being paid the expenses incurred by them.

229. After considering the matter very carefully, I am of the opinion that only one of the demands has any force *viz.*, the demand that where an employee has to be away on duty from his normal place of work or reporting, he should be given a meal allowance under paragraph 18 even if his case falls under clause (v) *i.e.*, when he paid an overtime allowance or holiday compensation. The question to be considered is, what is the nature of a meal allowance, is it intended to be a compensation for out of pocket expenses or is it aimed at providing monetary compensation for the inconvenience caused by working on Sundays or being required to work at a place other than the normal place of work. In my view, a meal allowance should do no more than relieve the extra expenditure involved in buying a meal owing to unusual hours or place of work. Considered in this context, I find that the present regulations are sufficiently liberal and the only alteration I would make is to remove the exemption in sub-clause (v) when applied to cases falling under sub-clause (iv). This will mean that when an employee is required to be away from his normal place of work on duty during the period of lunch, dinner or breakfast hours, he will be paid a meal allowance despite the fact that he is in receipt of overtime allowance or holiday compensation for the same period. There is no force in the other demands of Party No. 2 and I am not prepared to accept them.

230. I may add that no evidence with regard to payment of meal allowance on such liberal terms in any other industry was produced before me and these rates compare very favourably with the rates prevailing in the Indian Airlines Corporation.

GROUP III—Retirement Benefits.

231. This group is concerned with certain benefits arising from death, accident and special causes or on retirement. It comprises the following items:

1. Item No. 20—Insurance coverage.
2. Item No. 21—Provident fund.
6. Item No. 46—Retirement benefits/alternative employment, for attendants and flight crew).
4. Item No. 31—Retirement age.
5. Item No. 40—Gratuity.
6. Item No. 46.—Retirement benefits/alternative employment, for medically unfit flight crew.

1. Item No. 20.—Insurance coverage.

232. This item and item No. 25 (Compensation for death or injury—relating to cabin attendants and flight crew) may be considered together

as they are intimately related and the demands with respect to them were made by the various parties as if they presented one problem. They were also argued together by Counsel for the parties.

233. The present position is governed by Service Regulation No. 31 and Establishment Orders 48 to 54. Service Regulation No. 31 reads as follows:

"31. Compensation:

In the event of death or disablement while on duty, by an accident to an employee not governed by the Workmen's Compensation Act, or the Employees' State Insurance Act, or in the event of loss or damage to the personal belongings caused while the employee is travelling on duty, the Corporation may pay compensation to him or to his legal representatives as the case may be, at such rates and on such conditions as it may lay down from time to time, unless such accident, loss or damage is attributable to his own negligence, default or breach of instructions."

234. I need not set out the Establishment Orders 48 to 54 in full but their general effect is that members of the flight crew are insured against the risk of death or personal injury by accident on a world-wide twenty-four hour basis for various sums of money ranging from Rs. 15,000/- in the case of cabin attendants to Rs. 55,000/- in the case of the Operations Manager. There is also a provision for payment of various sums of money if death is caused to the members of the flight crew whilst on duty, either while flying in the Corporation's or any other aircraft or travelling in any surface transport provided by the Corporation or its agents or from contact with any movable part of the aircraft while it is parked on the ground. In case of injury from an accident resulting in disablement, total or partial a varying scale of compensation is provided. To employees other than members of the flight crew, compensation up to a maximum of 36 times the basic pay is payable when he dies or is disabled as a result of an accident while flying on duty in the Corporation's aircraft or any other licensed aircraft. Where employees are entrusted with the transportation, protection and/or handling of the Corporation's cash, they are further protected by a provision which guarantees the payment of compensation on death or injury. The maximum in these cases is 60 times the basic pay of the employee. Lastly, there is a provision for indemnifying the employee against any loss which he may sustain on his personal insurance policy by suffering death or injury as a result of an accident to the aircraft in which he is flying on duty under conditions which may invalidate his policy. One other broad feature of the insurance and compensation Scheme may be stated. No employee is insured against natural death, and even members of flight crew are not insured against such risk. In the case of the members of flight crew, the insurance against the risk of accident is in addition to the compensation payable on death or injury caused as a result of accident while on duty. Any private insurance policy taken out by any employee is not to be taken into consideration while assessing the measure of compensation or insurance money payable to the employee. The amount of compensation payable by the Corporation is, however, limited to the balance, if any, remaining after deducting any insurance amounts, damages or compensation recoverable by an employee or his legal representatives from any transport carrier or under the Workmen's Compensation Act. According to Air-India, its present scheme of insurance and compensation is adequate and indeed, very generous. The unions have, however, made demands for better treatment. On behalf of

Party No. 2, the Air Corporations Employees' Union, it is urged that the ground staff of the Corporation should be insured against risk of death or personal injury by accident on a continuous basis for Rs. 20,000/- plus 36 times the basic pay and substantive allowances in the event of death and at 150 per cent. of these amounts in the case of permanent disablement. The union further claims that all cabin attendants and cargo/live stock attendants should be covered by insurance on a continuous basis for Rs. 30,000/- plus 36 times the basic pay and substantive allowances against death and for 150 per cent. of these amounts against permanent disablement. It is claimed compensation should also be paid to cabin attendants when the liability arises while the seat belt sign is on. It is submitted that the insurance policies should be individual and personal and should continue in the event of retirement or cessation of employment on medical grounds, and on maturity, the policy should be handed over to the employee concerned. On behalf of Party No. 3, it is demanded that drivers, coach cleaners and other employees who are involved in hazardous operations, should be adequately covered by insurance against risk while on duty and the Corporation should provide free legal aid to the drivers of vehicles in case legal proceedings are taken against them. The union makes a further claim to the effect that any fines imposed on the employees for breaches of rules under the Motor Vehicles Act, should be paid by the Corporation. Party No. 5 demands that its members should be covered in the same manner as members of the flight crew. Its claim with respect to insurance coverage for the aircraft engineers on duty, whether they are part of the crew or not, and when they take part in test flights or training ferry, charter, schedule and non-scheduled or Air Force flights, is that they should be insured for a sum of Rs. 20,000/- plus 36 times the gross salary and be also indemnified against invalidation of their own personal insurance. Further, the Union demands insurance against ground risk and it is contended on its behalf that there are far more risks on the ground than in flight and the anxiety resulting from attending to aircraft "considerably affects the life of all Engineers. The noise and tension at the airport exposes the aircraft engineers to severe hazards." The Union, therefore, demands that there should be ground risk coverage to the extent of 36 times the gross salary for loss of life and a proportionate amount of compensation for any disabilities suffered as a result of any accident in the course of employment. Party No. 6 demands that the insurance coverage should be substantially increased. The Union claims that in the case of flight navigators, the amount of insurance should be raised to Rs. 50,000/- and in the case of cadet flight navigators, to Rs. 30,000/-. The Union also claims that the Corporation should pay compensation for death up to a maximum of 36 times the navigator's monthly pay (if death occurs while travelling on duty in an aircraft or by surface transport provided by the Corporation or its nominated agents). The Union demands that the insurance should be in line with the cover provided by the New India Assurance Company Limited, i.e. an insurance cover of Rs. 60,000/- or Rs. 30,000/- as the case may be on a twenty-four hour world-wide basis covering all flights and ground risks. Lastly, Party No. 7 claims that the present insurance coverage should be broadened to include the risk of natural death and the insurance limit should be increased to Rs. 50,000/- for flight engineers and Rs. 25,000/- to cadet flight engineers. In addition to this insurance, the Union claims the payment of compensation on death up to a maximum of 36 times the employee's monthly pay if such death occurs on duty in the circumstances mentioned in the circular No. INT/A-313/57 dated December 30, 1957 or while travelling on duty by surface transport provided by the Corporation or its nominated agents, such compensation to be calculated on a sliding

scale as provided by the abovementioned circular. The capital sum mentioned in the circular should be taken to mean 36 times the pay plus Rs. 50,000/- in the case of flight engineers or Rs. 25,000/- in the case of cadet flight engineers.

235. The Corporation has repelled these demands and it has been contended on its behalf that the present provisions are more than adequate. With regard to the hazards to which employees other than the members of the flight crew are subjected while they undertake air journeys on the business of the Corporation, it is alleged that in addition to the provisions for compensation, the employees are entitled to the benefits provided by the Warsaw Convention. Employees who are not members of the flight crew are issued tickets and the holder of a ticket is entitled to recover a sum of approximately Rs. 42,000 from the carriers in case of an accident. The passenger is not required to prove negligence on the part of the carrier and the liability arises out of the presumption of a fault. A statement was made at the Bar that in case of an accident, air carriers pay out this sum to the legal representatives of all those who are killed in the course of the accident unless it can be definitely proved "that there was no fault". This may happen if sabotage by a third party can be proved beyond a reasonable doubt. With regard to the claim for insurance against natural death and the insurance policy being made personal and valid even after retirement in the case of the flight crew, it is contended that this would amount to the giving of benefits not warranted by the employer-employee relationship nor would such benefit have any relation whatsoever to the hazards which the employment occasions. No other industry provides such a benefit and indeed, the benefits provided by the Corporation are far in excess of those provided by other industries. On behalf of Party No. 2, a fear was expressed that when an air hostess does not observe the seat-belt direction, she may be accused of negligence and therefore, it may be held that she is not entitled to any compensation or insurance money. Against this, it has been said that an air hostess is supposed to attend to the passengers and if in the discharge of her duties she does not comply with the seat-belt direction, she cannot be accused of negligence and she would not, therefore, be debarred from the benefits accruing to her under the insurance and compensation scheme. This clarification was accepted by the Counsel for Party No. 2.

236. The questions that require consideration therefore, are:

- (1) Whether there should be insurance coverage against the risk of natural death in the case of members of the flight crew.
- (2) Whether the members of the ground staff should be insured by the Corporation against the risk of death or injury by accident on continuous basis; if so, what should be the extent of such insurance?
- (3) Whether the insurance policies should be in the individual names of the employees and should remain valid even in the event of retirement, or cessation of employment on medical grounds, and whether on maturity the policies should be handed over to the employees.
- (4) Whether drivers, coach cleaners etc. should be insured by the Corporation against death or injury while performing their duty.
- (5) Whether the Corporation should provide free legal aid to drivers in all cases of legal proceedings arising out of an accident or a breach of Motor Vehicles Act, and whether the Corporation

should compensate the drivers to the extent of penalties imposed on them by courts of law.

- (6) Whether the aircraft engineers should be treated on a par with flight engineers in the matter of Risk Insurance.
- (7) Whether engineers who are not members of the flight crew should have an insurance coverage of Rs. 20,000 plus 36 times their gross salary while undertaking flights as a part of their duty.
- (8) Whether there should be an insurance coverage against accident on the ground and if so, what should be the extent of this insurance?

237. The pilots' demand that the risk of natural death should be included in the insurance coverage, was dropped while negotiating the agreement of July 26, 1965, and it was settled that the terms with regard to compensation for death or injury should remain as laid down in the relevant Establishment Order read with Regulation 31 of Service Regulations. The aircraft engineers' agreement also dealt with this matter and now it is agreed that if an aircraft engineer is required to travel on duty as a supernumerary crew, he will be provided with an insurance cover of Rs. 35,000 against death by accident while flying as a member of such crew apart from the compensation as admissible to him under the existing rules. Also, it is agreed that compensation for ground risks will be in accordance with the award of this Tribunal.

238. The only evidence produced by the parties consists of a statement (Exhibit M-5) filed by the Corporation relating to 21 concerns, including Air-India and the Indian Airlines Corporation. The statement shows that apart from these two concerns, there is no provision for insurance in any industry or concern. The Bombay Port Trust gives an ex gratia compassionate allowance to dependents of an employee or himself if provident fund and special contribution is not sufficient in the opinion of the Board. The amount thus paid is entirely in the discretion of the Board. The Bombay Electric Supply and Transport Undertaking provides insurance coverage to those employees who are governed by the Bombay Industrial Relations Act, and who are called upon to furnish securities by way of fidelity insurance policies. None of the remaining 17 concerns which include the State Bank of India, Bombay, the Indian Oil Corporation, the Fertilizer Corporation of India, the Hindustan Machine Tools Limited, Bangalore, the Hindustan Steel Limited, Rourkela, in the public sector and the Scindia Steam Navigation Company Limited, Godrej and Boyce Manufacturing Limited, Bombay, the Premier Automobiles Limited etc. in the private sector, have any provision for giving any benefits to its employees by way of insurance coverage. The unions did not bring to my notice any evidence to show that there are any industrial concerns which provide insurance coverage of the type included in their charters of demands.

239. The points enumerated above may now be disposed of :

(1) There seems to be no ground for extending the insurance coverage to the risk of natural death. The whole basis of insurance as between employer and employee is the relationship of master and servant. If the servant runs any risk or hazard in the course of his employment, his master compensates him by providing him insurance coverage. Natural death is an act of God and bears no relation whatsoever to the conditions of employment or the master-servant relationship, and I see no reason

whatsoever for acceding to this demand of the workmen. Also, I am of the view that the amount of insurance coverage for members of the flight crew is quite adequate and there is no justification for increase in the case of cabin attendants and air hostesses.

(2) The demand of the ground staff for insurance coverage against the risk of death or injury by accident on a continuous basis, stems from a similar provision made for pilots. The case of pilots is, however, totally different from that of the ground staff and there is no reason why there should be continuous accident insurance in their case. If death or injury is caused in the performance of the employee's duties, there is ample provision for compensation under the Workmen's Compensation Act. The ground staff do not run any special risk as compared with the hazards encountered in other vocations and industries, and simply because the employees are attached to the air transport industry, they cannot claim special advantages which have no relation whatsoever to flying or the risks of flying. I am, therefore, not prepared to concede this demand.

(3) For the same reasons, the demand of the workmen that the insurance policies should be in their individual names and should continue even after retirement or cessation of employment, on medical grounds, is wholly unreasonable. There is no reason for adding to the retirement benefits by extending an insurance policy which will remain in force after the employee has ceased to be subject to the hazards which it was intended to cover. In the event of retirement or cessation of employment on medical grounds, the employee receives his provident fund and a gratuity if a gratuity scheme exists, and I find myself unable to concede this demand.

(4) Death or injury caused to drivers, coach cleaners etc. while performing their duty, is compensated under the Workmen's Compensation Act. The argument given above, applies to this demand also and I can see no reason for giving preferential treatment to the drivers and coach cleaners of Air-India as compared with men in a similar employment in other industries.

(5) The demand for legal aid to drivers when legal proceedings are started against them, would place a premium on reckless and negligent driving. When a driver is at fault there is no reason why the Corporation should provide him with legal aid. If, however, proceedings are taken against a driver who is not at fault, then the Corporation will willingly compensate him with expenses that might have been incurred by him in those proceedings. I am informed that this is already being done but if there is any doubt or exception, I would say that the workman is entitled to full compensation on his acquittal by the court. If he is convicted and has to pay a penalty, it must be because he was negligent or contravened the Motor Vehicles Act, and the Corporation cannot be expected to compensate him for such wilful default or negligence.

(6) I have already referred to the additional benefits gained by the aircraft engineers under their agreement with the Corporation, dated October 15, 1965. There appears to be no reason for extending this benefit further and treating them on a par with flight engineers in every respect. Flight engineers incur, while flying, special risks and aircraft engineers run no such risks. I have already pointed out that when employees who are not members of the crew undertake air journeys on duty they are covered by the Warsaw Convention. There is a move to increase the amount payable under the Warsaw Convention and the increase will bene-

fit all workmen of the Corporation who are provided with air travelling tickets.

(7) The case of engineers who undertake flying as part of their duty although they are not members of the crew has been partly covered by the agreement of October 15, 1965, and there is no justification for providing them with any extra coverage.

(8) This issue is covered by the Workmen's Compensation Act, and if death or injury is caused as a result of an accident on the ground, the employee is covered by the provisions of that Act. The case of an Air-India workman is in no way different from that of an employee in any other industry and I see no reason to extend insurance coverage in terms of the demand made.

240. The result, therefore is that, the position in regard to insurance coverage will remain as before except to the extent it has been modified by the agreement of the All-India Aircraft Engineers with Air-India dated October 15, 1965, and the drivers of the Corporation will also be entitled to compensate themselves to the extent of the expenses incurred or loss caused if they are acquitted by courts of negligent driving or any breach of the Motor Vehicles Act, for which legal proceedings were taken against them.

2. Item No. 21—*Provident fund*

241. The present position is governed by the Air-India Employees' Provident Fund Regulations, 1954. The relevant articles are Rule 2(b) which defines pay, Rule 14 which sets out the rate of subscription by the employees and contribution by the employer. Rule 20 which deals with payments and Rule 22 which states certain consequences of an employee ceasing to be a member of the provident fund scheme. The net result of these rules is that every member or employee is obliged to make a contribution to the fund, each month, at a rate not less than 8-1/3 per cent. and not exceeding 20 per cent. of his pay and allowances (but excluding dearness allowance). The Corporation, at the same time, makes a contribution equal to the amount contributed by the subscriber or employee but not exceeding 8-1/3 per cent. of the pay earned by the employee during the month to which the contribution relates. Out of the funds so formed, payments are made to the employees on their ceasing to be members. If the employee has been a member for less than five years, then, the amount contributed by him is paid out in full and the amount contributed by the employer is forfeited to the fund. But, if he has been a member for more than five years, then, the entire amount standing to his credit consisting of his own contribution and the contribution made by the employer is paid to him. With regard to the forfeited amount, it is credited to what is called the Lapse Fund Account. This is administered by a Board of Trustees and is used for providing benefits and amenities to the employees including the payment of interest to the members of the fund at a rate higher than that fixed under the Rules. If, however, a member is dismissed for serious or wilful misconduct, the Board may forfeit the employer's contribution together with the interest thereon in respect of the entire service of the employee or for such shorter period as may be decided by the authority competent to dismiss the employee. The employee's own contribution in such cases is paid to him in full with interest. The employee is given an opportunity to show cause against the forfeiture and the cause shown by him must be taken into consideration before final orders of forfeiture are passed.

242. The demand with regard to the provident fund figured in the original demands made by the employees in 1960. When during the arbitration proceedings an agreement was reached between the Corporation and its workmen, the question of provident fund was not settled and this demand was referred to Shri Vyas as sole arbitrator. I have already narrated the circumstances in which the award of Shri Vyas was set aside and so the issue of provident fund remained alive up to the moment of the present reference.

243. The demand in respect of provident fund now being made by the various unions of the employees is (a) an increase in the employer's contribution to an amount greater than the present 8-1/3 per cent. and (b) that it should be calculated not only on the basis of pay and allowances but also on the dearness allowance. Parties 2, 4, 6 and 7 demand that the contribution of the employer should be 10 per cent. of the basic pay and allowances, including dearness allowance. Party No. 3 demands that the employer's rate of contribution should be 8-1/3 per cent. of the basic pay and dearness allowance. No demand has been made by Party No. 5. There is a further demand by Party No. 2 that to the Lapse Fund Account, the Corporation should make an annual allocation of not less than Rs. 50,000 and the fund should be administered as a benefit fund by a Board of Trustees who should consult the workers' representatives through the various unions and Guilds. Finally, there is a demand that the employees' contribution, as well as the employer's contribution, should be paid to the workmen on the termination of his services irrespective of his period of service.

244. The argument advanced on behalf of the unions is that, under Section 6 of the Employees' Provident Fund Act, the employer's contribution has been fixed at 6½ per cent. of the basic wage, dearness allowance and retaining allowance. Therefore, the Act contemplates the inclusion of the dearness allowance in the amount on the basis of which the employer's contribution is to be calculated. Extending the argument, it is submitted on behalf of the unions, that the contribution made by the Corporation whether it is at the rate of 8-1/3 per cent or more, should be calculated on the basic wage and the dearness allowance taken together. The unions have cited a number of instances in which the employer makes a contribution of 8-1/3 per cent. or more of the basic pay and allowances. The document filed on behalf of Party No. 3 (Exhibit U/III/1) contains a list of 17 industries of which in 12 cases dearness allowance has been included for calculating the employer's contribution. But, of these 12, only 8 are cases in which the full dearness allowance has been included. In 3 cases, only half the dearness allowance has been taken into account for calculating the employer's contribution and in one case, the employer's contribution is only 6½ per cent. of the basic pay and dearness allowance. Therefore, of the 17 cases, there are only 8 in which the employer's contribution is made at the rate of 8-1/3 per cent. or more of the total amount of basic wage plus dearness allowance. There are 6 cases in which the contribution is more than 8-1/3 per cent. viz., 10 per cent. But, of these cases, there is only one in which dearness allowance has been included. In the remaining 5, the employer's contribution is 10 per cent. of the basic pay only. There are, thus, less than half the total number of cases cited in which dearness allowance has been included in the amount on the basis of which the employer's contribution at the rate of 8-1/3 per cent. or more is being made.

245. As against this, the Corporation has filed a statement (Exhibit M-1) giving the details of 28 industries of which 22 are in the public sec-

tor and 6 in the private sector. There is no case in which the contribution of the employer exceeds 8-1/3 per cent. and there are 9 cases in which the contribution of the employer to the provident fund is at the rate of 8-1/3 per cent. of pay and dearness allowance and two cases in which the amount contributed is 8 per cent. of pay and dearness allowance. There are also some cases in which, for the lower category of employees, the contribution is calculated at the rate of 8-1/3 per cent. of pay and dearness allowance.

246. The factors which must be taken into consideration for determining this matter are:

- (a) the general wage-structure of the employees;
- (b) the financial capacity of the employer; and
- (c) the conditions prevailing in other industries of a similar nature in the same region.

247. I have already dealt with items (a) and (b) at some length when discussing some general principles of wage-structure in Chapter V and also when considering the items in Group I. The business of the Corporation has been expanding and the quantum of profits has, over the years, increased. Although there was a small diminution in the net profits in the year 1964-65, it seems to me that the Corporation possesses the capacity to meet the additional burden resulting from a liberalisation of the provident fund rules.

248. With regard to item (c), the question to be considered is with what other industries can a comparison be made. For the purpose of provident fund, a comparison of the workmen of Air-India can reasonably be made with the employees of any other industry because the employer's contribution to this fund is a subsidiary benefit which bears no relation to the nature of work involved. There are, as many as 17 cases in the public and private sector, in which the employer is making a contribution at the rate of 8-1/3 per cent. of the pay and allowances including the dearness allowance of the employee. It seems to me that there is good ground for making the same provision in the case of Air-India. It may be mentioned that by virtue of an amendment to the Employees' Provident Fund Act of 1952 in January 1963, in certain industries, engaged in the manufacture of mechanical or general engineering products, iron and steel, paper etc., the employer is obliged to make a compulsory contribution of 8 per cent. of the salary plus dearness allowance. This Act does not apply to Air-India nor does the direction issued by the Central Government in the Ministry of Finance O.M. No. F.1(3)-PC/65 dated April 29, 1965. But, the policy of the Government is sufficiently indicated in this order and I deem it just and reasonable to hold that Air-India should make a contribution equal to the contribution made by the employee subject to a maximum of 8-1/3 per cent. of the pay including dearness allowance. Pay for this purpose would be as defined in Rule(2) of the Air-India Employees' Provident Fund Regulations.

249. As already stated earlier, Party No. 5 had not made any claim under this item. Even so, it has, in its agreement of October 15, 1965, with the Corporation, agreed to be content with the present scheme of the Provident Fund subject to their technical pay and qualification pay where admissible, being treated as pay for the purpose of the Air-India Employees' Provident Fund Regulations. The members of this party will, therefore, be governed by their agreement, which has already been made a part of my award.

250. There is no substance in the demand that the employer's contribution should be paid to the workman on the termination of his service even when he has not been a member of the Provident Fund Scheme for a period of 5 years or more. A workman who leaves after a short period of employment, is not entitled to the special benefit of the employer's contribution.

3. Item No. 25—*Compensation for death or injury (relating to cabin attendants and flight crew).*

251. This matter has already been discussed and disposed of under Item No. 20, and nothing further needs to be said.

4. Item No. 31—*Retirement age.*

252. At present, the retirement age of the Air-India employees is governed by Service Regulations No. 46 and 47. Service Regulation No. 46 is as follows:

"46. Retirement Age:

- (i) Subject to the provisions of sub-regulation (ii) hereof, an employee shall retire from the service of the Corporation upon attaining the age of 58 years, except in the following cases when he/she shall retire earlier;
 - (a) Any employee, upon becoming medically unfit for carrying out his/her duties;
 - (b) A member of the flight crew, upon his licence/endorsement being cancelled or withdrawn;
 - (c) An Air Hostess, upon attaining the age of 30 years or on marriage, whichever occurs earlier.
- (ii) The General Manager may require an employee to retire after he attains the age of 55 years on giving three months' notice without assigning any reason. An employee may also retire voluntarily after attaining the age of 55 years on giving three months' notice."

253. Regulation No. 47 provides for a further extension of the employee beyond the age of retirement for an aggregate period not exceeding two years except in the case of Air Hostesses where the services can be extended upto a period of 5 years. The extension is granted on the employee being found medically fit.

254. The general demand of the employees is that the retiring age should be fixed at 60. The Unions are opposed to the provision whereby the services of an employee can be terminated after he attains the age of 55 on giving 3 months' notice without assigning any reason. The Unions, therefore, want that part of Regulation 46 to be abrogated. On behalf of the air hostesses, it is claimed that the retiring age should be raised to 35 and a provision should be made for further extension of service upto 3 years. In the case of pilots, the Management has opposed the demand, and it is contended on its behalf that the age of retirement was recently increased from 55 to 58. This was done in 1963 and became effective from December 1, 1962. The Management defends its right of retiring any of its employees after the age of 55 on giving him or her three months' notice. This, it is alleged, is essential in the interest of efficiency. In the air transport business, the highest measure of efficiency is demanded and the least

lapse may entail grave risks to life and property. So, the Management wants only the most competent employees to handle the duties assigned to them. It has been argued on behalf of Air-India that although some men are physically and mentally fit even after the age of 55, there is, in general, a decline in competence and efficiency, and wherever such decline is noticeable, the Management should have the power to retire the employee. It has been argued that the analogy with other industries and with personnel handling air transport in other countries is not relevant because although recently there has been an improvement in the average age and health of Indians, the efficiency of an Indian after 55 on account of climatic and other factors is not so high as the efficiency of, say, a Western European or an American. This is not to say that Indians are not as skilful or as intelligent, but merely that owing to climatic and working conditions, there is a marked deterioration in their health, and since several types of jobs in the air transport industry require the most accurate co-ordination between mind and body and a measure of alertness which enables a pilot or a flight engineer to react promptly to unanticipated eventualities, it would be dangerous to run the slightest risk of imperilling the lives of human beings by an undue measure of leniency in this respect.

255. It has been argued on behalf of the Unions that the power to retire an employee after the age of 55 is liable to abuse and that if an employee has displeased his superior, he may be retired on grounds other than those upon which an order of retirement can legitimately be made. By way of answer to this argument, Air-India have placed on record a statement (Exhibit M-13) showing the number of cases in which the option regarding the retiring of an employee after the age of 55 was used. This statement shows that since the new regulation came into force in December, 1962, there have been only 3 retirements among workmen at the age of 55 as against 18 workmen who were allowed to continue beyond 55 years. Among employees other than workmen, there have been no cases of retirement at the age of 55 while as many as 9 persons were allowed to continue beyond the age of 55. Thus, the percentage of retirement at the age of 55 is extremely small—being just about 10 per cent of the total employees who attain the age of 55 or over. It cannot, therefore, be said that the power to retire between the age of 55 and 58 was abused. I asked Council for the unions if there had been any instance of employees protesting against retirement before attaining the age of 58 and I was informed that there had been no such case and the retirement order had been accepted without protest or demur. This shows that the power of the Management under Regulation 46 (ii) has been used only in the interest of efficiency, and the decisions of the Management have not been questioned. There is no ground for believing that there is any likelihood of the power being abused in future and indeed, if an employee is competent, the Management will not want to retire him and will wish to retain his services as long as possible. No employer wants, without reason, to retire or terminate the services of an experienced and competent employee.

256. With regard to air hostesses, the contention of the Management is that they are in a special class. They have to deal with passengers of various temperaments, and a young and attractive air hostess is able to cope with difficult or awkward situations more competently and more easily than an older person with less personal prepossessions. On this point there can be no two opinions. It was also pointed out that air hostesses do not stay very long in the service of Air-India, and young and attractive women are more inclined to look upon service in Air-India as a temporary occupation than as a career. Most of them get married and

leave the service. Counsel for the Corporation placed before me a table (Exhibit M-14) which shows that the average service of an air hostess for the 5 years between 1960 and 1965 was only two years. Only 2 air hostesses reached the age of 30. None was retired at the age of 30 and in all, 70 air hostesses resigned before reaching the age of retirement. The total number of air hostesses at present is 87 and, therefore, it will, at once, be seen that most of them chose to leave service of their own free will. It was argued that the extension of age to 35 will not make any substantial difference and that the only result will be to benefit one or two air hostesses who, perhaps, do not possess in adequate measure, those qualifications which make a good air hostess. There were, indeed, two cases in which the extension was granted and so it will be seen that in a proper case, the Management is willing to extend the service of an air hostess for a suitable period.

257. With regard to the age of retirement for employees in general, my attention was drawn to the remarks made by the Supreme Court in *Guest, Keen, Williams (Private) Ltd. and Sterling (P.J.) and others—1959-II-LLJ-page 405*. This was a dispute between the Management of Guest, Keen, Williams (Private) Ltd., and 46 workmen who had been retired on attaining the age of 55 years or over. The previous history of employment by this Management shows that at the start no age of superannuation had been fixed but subsequently by a Standing Order which was certified, the retirement age was fixed at 55. The matter was taken before the Labour Tribunal and it was held that the age of compulsory retirement should be 55 in regard to persons employed subsequent to the certification of the Standing Order. But, there should be no age of retirement in regard to the prior employees and so the Appellate Tribunal directed that the 47 workmen who had been compulsorily retired should be reinstated on certain conditions. The matter was taken before the Supreme Court and it was held that the rule of retirement for previous employees should be 60 but that the rule of 55 should apply to all employees entering service after the Standing Order came into force. Gajendragadkar, J. who delivered the judgment of the Court, went on to observe:

"In fixing the age of superannuation, industrial tribunals have to take into account several relevant factors: What is the nature of work assigned to the employees in the course of their employment? What is the nature of the wage-structure paid to them? What are the retirement benefits and other amenities available to them? What is the character of the climate where the employees work and what is the age of superannuation fixed in comparable industries in the same region? What is the general practice prevailing in the industry in the past in the matter of retiring its employees? These and other relevant facts have to be weighed by the Tribunal in every case when it is called upon to fix the age of superannuation in an industrial dispute."

In the case before it, the Supreme Court approved of the retiring age of 55 in respect of those employees who had entered service after the certification of the Standing Order. With regard to the 47 workmen who had contested the order of retirement, they could not be reinstated because none of them was then below the age of 60. The ratio of this ruling was that in respect of 47 workmen no age of superannuation had been previously fixed and so the workmen were under the impression that they would be allowed to continue in service till the age of 60. The Supreme Court did not think that the retirement at the age of 55 in that industry was at all un-

fair or unjust. This ruling, therefore, does not support the case of the employees. My attention was also drawn to the decision in the Bank dispute set out in the award made by K. T. Desai, Chief Justice, Gujarat in June 1962. The concluding portion of the chapter, dealing with the retirement age, may be quoted:

"15.13. Taking every relevant factor into consideration, I am inclined to take the view that the provisions contained in the Sastry Award are reasonable and that at present no change is called for. I accordingly direct that after a workman has reached the age of 55 years, he may be retired after giving him two months' notice in writing, in case his efficiency is found by the employer to have been impaired. Subject to this rule and also subject to any rule under an existing pension fund, a workman should not be compelled to retire before he is 58 years old."

258. This is analogous to the regulation 46 framed by Air-India. Shri Vimadalal pointed out that the demand with regard to the age of retirement was before Shri Vyas and when several items of the dispute were settled by means of an agreement, the demand with regard to the age of retirement (Item No. 37) was dropped by the employees. He, therefore, argued that the employees could not re-agitate this question especially because since that agreement was reached, a new regulation had raised the retiring age from 55 to 58; and because the right of retiring an employee after 55 is exercised only in very rare cases and only when the efficiency of the workmen is found to have been impaired, the workmen have no real grievance.

259. On behalf of the employees, reliance has been placed on a statement filed before the Tribunal according to which the retirement age in six companies has been fixed at 60. In one of them, the retirement age of the clerical staff is 60 years and for other workmen, 58 years. On the other hand, the Management has filed a statement containing a list of 28 companies in the public and private sectors. Of these, 10 are in the public sector and in most of them the age of retirement has been fixed at 58. Out of these, in the Indian Telephone Industries Ltd., Bangalore, the age of retirement is 55 years but service may be extended upto 60 if the employee is found medically fit. But, this extension is granted only at the discretion of the Management. In the Fertilizer Corporation of India Ltd., the retirement age is 58 but extensions of an aggregate period of 2 years may be granted at the discretion of the Managing Director. In the Overseas Communication Service, the retirement age for Class IV service employees is 60 years but for the remaining staff, it is 58 years. In the National Instruments Ltd., for non-industrial staff, retirement age is 58 years but this is subject to retirement on one month's notice after 55 years if the employee is found unfit. For industrial workers, the retirement age is 60 years, but in their case too, a month's notice may be given for retirement after 55 years if the employee is found unfit. In two companies only, the retirement age is 60, viz., Life Insurance Corporation of India and Indian Oil Corporation. Of the 10 companies in the private sector, in six instances the retirement age is 58 years or under. In four cases, the retirement age is 60. Shri Vimadalal contended that in the public sector, the retirement age is generally fixed at 58. Government servants of the Central Government as also of all the State Governments now retire at the age of 58 and, therefore, it was contended that the retire-

ment age for the employees of Air-India should not be higher than 58, and the present retiring age keeps the employees on a par with other Government servants. His strongest argument, however, was the desirability of a very high degree of efficiency required from the employees of Air-India because of the peculiar nature of the work entrusted to them. This argument naturally does not apply to certain class of employees, e.g. chowkidars, sweepers, clerks, who have no direct connection with the arrangements in respect of flights and who do not handle aircraft or machines connected with the aircraft. I may mention here that the demand was considered by Shri Vyas although in the agreement arrived at between the parties the demand had been dropped. Shri Vimadalal discussed the matter at some length and then submitted that it merited rejection.

260. In my view, no case has been made out for raising the age of retirement and in cases where the efficiency of the employee is not impaired, there is suitable provision under regulation 47 for extending his service upto the age of 60. As observed above, there have been no complaints of any employee being made to retire under the provision of clause (ii) of regulation 46. I am satisfied that this provision is only used in the interest of efficiency which must merit the highest consideration in the air transport industry. The retirement age obtaining in Air-India is in no way less favourable to the employee than in any of the other industries. This demand, therefore, cannot be granted and I reject it.

5. Item No. 40—Gratuity

261. A brief history of the dispute relating to this item is set out in paragraphs 107 to 110 of the statement filed by Party No. 3 and para 116 of the statement of Air-India.

262. Before the nationalisation of the air transport industry, gratuity was being paid to the employees of Air-India Ltd., and also to be employees of the Air Services of India Ltd. Upon nationalisation, the Air-India Ltd. The Corporation, however, continued the Gratuity Scheme to which it succeeded viz., Air-India International Ltd. and Air-India Ltd. The Corporation, however, continued the Gratuity Scheme because the conditions of service of the employees who had been transferred to Air-India were protected under Section 20 of the Air Corporations Act. This state of affairs continued upto 1959. Thereafter, the Corporation framed a new regulation under Section 45 of the Air Corporations Act and the payment of gratuity was discontinued. The gratuity matter was one of the items which was referred to arbitration under the agreement of May 9, 1960. Shri Vyas dealt with the matter in his voluminous award, and after framing a tentative scheme, rejected the demand on the ground that under the agreement of May 9, 1960, the Corporation would not be able to shoulder the financial burden of the gratuity. As already observed above, Shri Vyas' award was challenged by the workmen in the Bombay High Court and the award was set aside. The High Court observed that the reasons which had been given by Shri Vyas for rejecting the claim for gratuity were dubious and extraneous. The matter was, however, left undecided and the employees sought the procedure of conciliation on this point. The Conciliation Officer, however, refused to consider the matter of gratuity on the ground that it had been covered by the consent award of May 9, 1960. Against this decision of the conciliation officer, the workmen filed a Petition for Writ in the Bombay High Court. While the matter was pending in the High Court, the Corporation offered to introduce a gratuity scheme and suggested that the Writ Petition may

be withdrawn. On October 18, 1962, the Corporation wrote to Party No. 2 confirming that the Management was agreeable to the introduction of a gratuity scheme. On receiving this assurance, Party No. 2 withdrew the petition from the Bombay High Court. The scheme prepared by the Corporation, however, was not acceptable to Party No. 2 and upto the present day, there is no gratuity scheme in Air-India. The demand for gratuity has been made by all the parties and has not been settled by the two agreements reached between the pilots and the Corporation and the All-India Aircraft Engineers' Association and the Corporation, respectively. The matter has, therefore, remained unsettled with respect to all parties and I now proceed to consider it.

263. The various unions have set out their demands in their written statements, and generally speaking (with a few variations to which I shall presently refer), their claim is that gratuity should be paid at the rate of one month's salary per year of service, and salary should include all allowances in addition to the dearness allowance. The individual claims of the various parties are as follows.

264. Party No. 2 claims that gratuity should be paid at the rate of one month's pay as last drawn, for every year of service subject to a maximum of 30 month's pay. The word 'pay' should include substantive allowances. The minimum qualifying length of service for the payment of gratuity should be 5 years of continuous service, except in the case of air hostesses for whom the minimum qualifying service should be 3 years; and service should include previous service in the company to which the Corporation succeeded. Gratuity should also be payable to those workmen who have retired on or after the coming into force of the Corporation's regulation published in 1959, and should further be paid to such employees who resigned on grounds of health after 5 years' minimum service or who died after December 5, 1959.

265. The claim of Party No. 3 is that an employee who has completed 5 years of minimum service should be paid gratuity at the rate of one month's pay (including dearness allowance) for each year of service on his ceasing to be in the service of the Corporation. For the purpose of calculating the amount of gratuity the period of service should be taken to begin on the date when he first joined the service. If, however, the services of an employee are terminated before he completes 5 years of service, he should be paid a minimum of 4 months' salary including dearness allowance and in case of death, a certain minimum gratuity should be paid even if the service was less than 5 years. The gratuity scheme should cover all employees who cease to be in the service of Air-India after the introduction of the Service Regulations in December 1959.

266. Party No. 4 claims that gratuity should be paid at the rate of one month's pay for every year of service and pay should include basic pay and all allowances but not dearness allowance. Gratuity should also be paid in case of death or mental or physical disability and also in case of dismissal for misconduct.

267. Party No. 5 claims gratuity at the rate of one month's gross salary (meaning basic salary plus all allowances) at the rates last drawn for every year of the employee's service. The gratuity should be payable upon termination of service whether by resignation, superannuation or any other cause.

268. Party No. 6 claims gratuity at the rate of one month's gross salary last drawn for each year of service. Gratuity should become payable on termination of employment for any reason whatsoever.

269. Party No. 7 claims gratuity at the rate of one month's pay for every year of service in case of death, disability, retirement, resignation or termination of service as the case may happen to be. Pay should include basic pay and all allowances except dearness allowance and foreign allowance. Gratuity should also be paid in the case of dismissal for misconduct.

270. It may be mentioned that in the original charter presented before the reference was made, Party No. 2 did not claim any gratuity but the demand was made by it in the statement filed after the reference.

271. Provident fund and gratuity have now come to be recognised as retirement benefits to which all workmen are entitled and which they may legitimately claim. The Corporation is agreeable to the drawing up of a suitable scheme which would not unduly strain its finances. The tentative scheme drawn up by the Corporation was not acceptable to Party No. 2 and from the above narrative it is clear that the demands of all parties are considerably more than what was offered by the Corporation. Instances of other industries and business concerns were cited during the course of the arguments, and several statements giving the lists of a number of industries and the gratuity schemes drawn up by them either voluntarily or as a result of agreements reached between the Managements and their workmen, have been placed on record. A study of these statements reveals that in many of the firms, a gratuity scheme prevails but there is no evidence to show whether there is any liberal provident fund scheme also. Messrs. Mackinnon Mackenzie & Co. Private Ltd., have, perhaps, the most liberal gratuity and provident fund scheme. They pay a gratuity at the rate of one month's salary for each year of continuous service subject to a maximum of 30 months' salary and also make a contribution of $8\frac{1}{3}$ per cent. of basic pay to the employees' provident fund. The Scindia Steam Navigation Co. Ltd., pays a gratuity of one month's salary for each completed year of service subject to a maximum of 15 months' salary. The company also makes a contribution of $8\frac{1}{3}$ per cent. of the employees' pay and dearness allowance to the provident fund. There is one other company viz., The Glaxo Laboratories Private Ltd., where the workmen enjoy a gratuity of one month's salary for each completed year of service upto 15 years of service and after 15 years, $\frac{1}{2}$ month's pay for each year of service subject to a maximum of 20 months. The Management also makes a contribution of 10 per cent. of the employees' basic pay towards provident fund for higher staff and $7\frac{1}{2}$ per cent. of basic pay in the case of subordinate staff. In the other concerns of which evidence is placed before me, the gratuity schemes are not so favourable to the workmen.

272. Generally speaking, in most of these companies, gratuity is paid at the rate of one month's salary for each completed year of service upto a maximum of 15 years. In some of the companies, the rate is $\frac{1}{2}$ month's salary for each year of completed service. The maximum varies from 15 to 20 or $22\frac{1}{2}$ months, in 2 companies the maximum is 30 months' salary and in 2 companies, no maximum has been provided. Some companies compute gratuity on a slab system e.g. for the first 10 or 15 years at the rate of a full month's salary for each completed year of service and subsequently, $\frac{1}{2}$ month's salary or $\frac{1}{3}$ of the month's salary for each completed year of service. The gratuity scheme of the BOAC provides for a maximum of 15 months' basic wage.

273. The existing provident fund scheme has been liberalised by this award, and since gratuity and provident fund are both retirement benefits, the quantum of gratuity cannot be considered in isolation. There is also the all-important question of the capacity of the Corporation to meet the heavy liability resulting from the acceptance of the demand in its entirety. The statement (Exhibit U/II/6) shows that the gratuity burden on the Corporation per annum calculated on the basis that the maximum gratuity payable will be 30 months' basic salary, is Rs. 9.72 lakhs as far as Parties 2 and 3 are concerned. It is not easy to lay down an exact principle for fixing gratuity, and to a large extent, a rule of thumb must inevitably be applied. However, taking into consideration the conditions prevailing in most of the industries and in the BOAC, and also keeping in view the financial capacity of the Corporation, I feel that the following scheme is both fair and just:

- (i) continuous service in the last preceding integrated airline will be treated as service qualifying for gratuity if the employee is still in the service of the Corporation;
- (ii) the gratuity scheme will be introduced with retrospective effect from April 1, 1962, i.e. employees who have retired or died on or after that date will also be eligible for benefits under this scheme;
- (iii) the employee will be eligible for gratuity (a) on reaching the age of superannuation or on voluntary retirement on completing 15 years of continuous service, (b) in case of termination of service on medical grounds or abolition of post, provided a minimum of 5 years of continuous service has been rendered, and (c) in case of death whilst in service and in case of termination of service on account of permanent incapacity due to bodily or mental infirmity;
- (iv) the amount of gratuity will be equal to one month's basic pay for every completed year of service subject to a maximum of 15 months' basic pay or Rs. 30,000 whichever is less. The basis for this purpose being the average of the basic pay drawn during the 12 months preceding the retirement, death or termination of the service;
- (v) the gratuity in case of death will be subject to the following minima:

If death occurs—

- (1) during the first year—2 months' pay;
 - (2) after 1 year but before 5 years—6 months' pay;
 - (3) after completion of 5 years of service—12 months' pay.
- (vi) in the case of an employee whose services are terminated for misconduct, a deduction may be made from the gratuity due to him up to the extent to which loss was caused to the Corporation by the misconduct for which he was dismissed.

274. It will be seen that the above scheme is a slight modification of the provisional scheme prepared by the Corporation during its negotiations with Party No. 2. This scheme is more liberal than the scheme which obtains in the BOAC which is the only comparable concern. There is, at present, no gratuity scheme in force in the Indian Airlines Corporation, and Air-India in its statement has submitted that there should be a single scheme of gratuity applicable to the aviation industry as a whole

It was also submitted by the Corporation that there should be no distinction between the ground staff and the flight crew. I see no reason for discriminating between them and the above scheme will apply to all workmen of Air-India whose case is before me irrespective of whether they are members of the ground staff or of the flight crew. It will be for the Corporation to extend the scheme to those employees who are not "workmen" within the meaning of the Industrial Disputes Act, and whose case is, therefore, not before me.

6. Item No. 46—*Retirement benefits/alternative employment, for medically unfit flight crew.*

275. The workmen who come within the ambit of this item are:

- (i) pilots (Party No. 4);
- (ii) cabin attendants (Parties 2 and 3);
- (iii) flight navigators (Party No. 6); and
- (iv) flight engineers (Party No. 7).

The aircraft maintenance engineers (Party No. 5) have also put in their claim but it is quite clear that they are not covered by this item because they are not members of the flight crew. This item relates specifically to retirement benefits/alternative employment for medically unfit members of the flight crew and to none others. The claim of Party No. 5, therefore, merits dismissal without further consideration.

276. Parties 4 and 7 have arrived at an agreement with the Corporation with regard to this demand. I need not, therefore, discuss the merits of their demand as made in their respective written statements. I have stated in the earlier part of this award that the agreement of the pilots arrived at on May 24, 1965, and of the flight engineers on May 29, 1965, are just and reasonable and I propose to make my award on the basis of these agreements.

277. With regard to the flight navigators, they have made no specific demands and have merely submitted that owing to the great hazards of flying in jets, provision should be made for those navigators who become medically unfit. The claim on behalf of cabin attendants was that they should be provided with suitable alternative employment and if the Corporation is not able to offer a suitable post or if a cabin attendant is unable to accept the post or the terms offered, he or she may be retired and by way of compensation, paid 65 per cent of the emoluments which he or she would have received until attaining the age of normal retirement. It is further claimed that where alternative employment on the ground is offered, the rates of emoluments should be as follows:

<i>Length of service</i>	<i>Percentage of pay and substantive allowances last drawn, as emoluments</i>
5 years or less	65%
Over 5 years but less than 8 years	80%
10 years or more (in case of air hostess)	100%
Over 8 years but less than 15 years	90%
15 years or more	100%

278. The navigators have placed on record, a document (Exhibit U/VI/17A) which is a long note written by Richard H. Beck, Chairman of TWA, 24 Air Safety Committee. In this article, the author has analysed the various types of jet hazards such as fatigue, nervous and emotional strain. It is not necessary to discuss this document in detail, and it seems to me that if the same benefits are given to the flight navigators as have been obtained by the pilots and the flight engineers under their respective agreements with the Corporation, the demands of the navigators will be sufficiently met. A similar provision should, in my view, be made for the benefit of the cabin attendants who become medically unfit consequent upon their flying duties in jet aircraft. The Corporation has opposed the claim of the cabin attendants on the ground that they are not licensed members of the operating crew. The Corporation contends that if cabin attendants become medically unfit to perform their flight duties or become redundant, their claims for any alternative employment on the ground either of medical unfitness or retrenchment, are to be dealt with in accordance with the general policy of the Corporation in such matters, because the cabin attendants' vocation does not prevent them from finding suitable alternative employment on ground if they are otherwise qualified. It seems to me, however, that merely because cabin attendants are not licensed members of the operating crew, they should not be deprived of the benefits which other members of the flight crew enjoy. I propose, therefore, to make an award in their favour on terms similar to those which will cover the case of pilots, flight engineers and navigators. I consider it unnecessary to discuss this matter further because the pilots and flight engineers, after prolonged negotiations with the Corporation, have arrived at an agreement which has been accepted by all parties.

279. The relevant extracts from the pilots' agreement of May 24, 1965, dealing with this item are as follows:

- (1) All Pilots who are found medically unfit for flying duties may be provided suitable ground jobs in the Corporation until they attain the superannuation age, their consolidated salary being fixed at not less than 75 per cent of their last drawn basic pay. Such Pilots shall have opportunities for progress and/or for advancement in their ground jobs equal to those of other employees of the Corporation.
- (2) Alternatively, such Pilots can opt, subject to the conditions mentioned below, for an annuity payable at 60 per cent. of their last drawn basic pay until they attain the age of 55:
 - (a) No annuity will be admissible if the total service of the Pilot in the Corporation immediately prior to being declared medically unfit does not exceed five years.
 - (b) The annuity shall be payable until he attains the age of 55 or the date of death, whichever is earlier.
 - (c) The annuity will be paid monthly on normal salary disbursement day.
 - (d) The payment of annuity or the appointment to a ground job will commence from the date of disablement due to personal injury, illness, disease or disability of the Pilot which prevents him from attending to his occupation as a Pilot as declared by the Medical Board and as such taken off his flying duties by the Medical Board but only after he has exhausted all his casual leave, sick leave, privilege leave and special sick leave standing to his credit.

- (3) Notwithstanding the provisions of Clauses (1) and (2) above, a Pilot will not be entitled to the benefits contained therein if he is declared medically unfit for flying duties as a direct or indirect result of:
- (a) Intentional self-injury,
 - (b) Attempted suicide,
 - (c) Provoked assault,
 - (d) Venereal disease, or
 - (e) Chronic alcoholism or habitual taking of narcotic drugs.
- (4) A Pilot, after being granted benefits under Clause (1) or (2) of this Agreement, in the event of regaining his medical fitness as certified by the Medical Board, shall re-offer his service as a Pilot to the Corporation who will then reinstate him in the grade and seniority held by him prior to his disablement. The payment of annuity to him will cease from the date he is so re-employed by the Corporation. Similarly, a medically unfit Pilot who becomes medically fit again will not be entitled to the annuity if he accepts a flying job outside the Corporation."

280. I make an award in terms of the above agreement as far as the pilots are concerned.

281. The relevant extracts from the agreement entered into with the flight engineers by the Corporation on May 29, 1965, are as follows:

- "(1) All Flight Engineers who are found medically unfit for flying duties may be provided with suitable ground jobs in the Corporation until they attain the superannuation age, their consolidated salary being fixed at not less than 75 per cent of their last drawn basic pay. Such Flight Engineers shall have opportunities for progress and/or for advancement in their ground jobs equal to those of other employees of the Corporation.
- (2) Alternatively, such Flight Engineers can opt, subject to the conditions mentioned below, for an annuity payable at 60 per cent of their last drawn Basic Pay until they attain the age of 55:
- (a) No annuity will be admissible if the total service of the Flight Engineer in the Corporation immediately prior to being declared medically unfit does not exceed five years.
 - (b) The annuity shall be payable until he attains the age of 55 or the date of death, whichever is earlier.
 - (c) The annuity will be paid monthly on normal salary disbursement day.
 - (d) The payment of annuity or the appointment to a ground job will commence from the date of disablement due to personal injury, illness, disease or disability of the Flight Engineer which prevents him from attending to his occupation as a Flight Engineer as declared by the Medical Board and as such taken off his flying duties by the Medical Board but only after he has exhausted all his casual leave, sick leave, privilege leave and special sick leave standing to his credit.
- (3) Notwithstanding the provisions of Clauses (1) and (2) above, a Flight Engineer will not be entitled to the benefits contained

therein if he is declared medically unfit for flying duties as a direct or indirect result of:

- (a) Intentional self-injury,
 - (b) Attempted suicide,
 - (c) Provoked assault,
 - (d) Venereal disease, or
 - (e) Chronic alcoholism or habitual taking of narcotic drugs.
- (4) A Flight Engineer, after being granted, benefits under Clause (1) or (2) of this Agreement, in the event of regaining his medical fitness as certified by the Medical Board, shall re-offer his services as a Flight Engineer to the Corporation who will then reinstate him in the grade and seniority held by him prior to his disablement. The payment of annuity to him will cease from the date he is so re-employed by the Corporation. Similarly, a medically unfit Flight Engineer who becomes medically fit again will not be entitled to the annuity if he accepts a flying job outside the Corporation."

282. It will be seen that this agreement is exactly the same as the agreement entered into with the pilots. I make an award in favour of the Flight Engineers in terms of the above agreement.

283. I make a similar award in favour of the cabin attendants and flight navigators, and the terms which govern the case of pilots and flight engineers will apply to them *mutatis mutandis*.

GROUP IV—Transfer, Postings, etc.

284. This group consists of the following six items:

- 1. Item No. 17—Travelling allowance.
- 2. Item No. 29—Accommodation layover allowance at layover stations.
- 3. Item No. 32—Foreign allowance.
- 4. Item No. 34—Outstation allowance.
- 5. Item No. 35—Resettlement allowance.
- 6. Item No. 47—Travel on duty.

1. Item No. 17—Travelling allowance

285. A demand with regard to travelling allowance has been made by Party No. 2 only. In their original charter of demands, the workmen falling in this clause had demanded an allowance of fifteen shillings for all cabin attendants in addition to the normal outstation allowance for every day spent at an outstation. In the written statement, however, a new claim has been made, and the previous claim of fifteen shillings per day has been made under Item No. 51—Special travelling allowance. The new claim in the written statement is as follows:

- "(a) Employees deputed for emergency duties within India or outside India which could not be classified as a temporary transfer should be deemed to be on duty as if the employee concerned had been on tour or on temporary transfer for the purposes of eligibility to benefits of travelling allowance under the existing rules.
- (b) The existing rules governing the terms and conditions for the grant of travelling allowance should be subject to periodical review through joint consultations.

- (c) The existing rules governing personal baggage (by Air—while on tour) should also be applicable to flight crew (Cabin Attendants) on flight duties."

286. The reply of the Corporation is that, with regard to items (a) and (c) above, the present rules are in conformity with the demand and that an employee deputed for emergency duties is treated as if he were on tour. Also, the rules with regard to personal baggage of flight crew on flying duties apply to them and are quite liberal. With regard to (b), the Corporation opposes it on the ground that there is no justification for a consultation each time the rules are revised. Whenever the circumstances justify, a review of these rules is made and the necessary modifications made.

287. I see no force whatsoever in this demand. It was not even put forward in the original charter presented by Party No. 2, and no claim on this account has been made by any of the other parties. I, therefore, reject it.

2. Item No. 29—*Accommodation layover allowance at layover stations*

288. Members of the flight crew have occasionally to spend some time at a station away from their place of permanent or temporary posting in the course of their flying duties. In order to compensate them for the extra expense incurred, the Corporation pays what is called a layover allowance and also provides accommodation at a hotel. The present rate of layover allowance is on a sliding scale, if the number of hours so spent is above a minimum of 4 hours, the maximum being £ 2-10-0 for every 24 hours. The demand of all parties, i.e. pilots, flight engineers, flight navigators and cabin attendants, is that, this amount should be increased to £ 4-10-0 except in the case of U.S.A. and Russia where the amount should be not less than \$ 18 and 15 roubles respectively, per day. The demand is based on the ground that since the rate was last fixed, prices at stations abroad have increased and the amount now paid does not sufficiently compensate them for the expenses which they have to incur. In the agreement arrived at with the pilots, the amount has been raised to £ 4 in the case of all stations excepting New York and Moscow. At New York, the rate now is \$ 14 and at Moscow, the rate is 12 roubles. This allowance is paid for a period of over 16 hours upto 24 hours. No allowance is paid for a stay of less than 4 hours, and for periods of 4 to 8 hours, 8 to 16 hours and 16 to 24 hours, the rates are 60 per cent, 80 per cent and 100 per cent of the full rate. In the case of co-pilots, the amounts are £ 3-10-0 for all stations excepting New York and Moscow, for which the rates are \$ 13 for New York and 11 roubles for Moscow with a proportionate reduction for shorter periods. Hotel accommodation is provided at the expense of the Corporation in all cases.

289. The Corporation opposed the demand and pleaded that the present rate was quite generous and there was no justification for an increase. I should have been inclined to take the view that a layover allowance of £ 2-10-0 for a period of 24 hours with a proportionate reduction for shorter periods would have been enough in view of the fact that accommodation and breakfast are provided by the Corporation in all cases. Since, however, the rate has been substantially increased in the case pilots. I think it is only just and proper that there should be a proportionate increase in the layover allowance of other members of the crew.

290. In making their demand the workmen have sought to justify it on the ground that they have a right "to share in the progress and prosperity

of the undertaking.” This reason has been given by the parties, particularly Party No. 2, to support almost all the demands made in this reference. Not to give a corresponding increase to the flight engineers, flight navigators and cabin attendants, would savour of unfair discrimination and, I, therefore, propose to make a slight increase in their case also. It is agreed that since all members of the flight crew stay in the same hotel, they incur the same expenses and are entitled to the same layover allowance. There is force in the contention, and though flight navigators, flight engineers and cabin attendants rank below the first officer, they can legitimately claim the same allowance as is being now paid to first officers under the terms of the agreement between Air-India and Party No. 4. I accordingly fix the layover allowance of flight navigators, flight engineers, cabin attendants and air hostesses according to the scale now applicable to first officers.

291. Another demand made by the workmen is that, they should be provided with first class hotel accommodation and the members of the flight crew should be consulted with regard to the nature of the accommodation provided. The plea of the Corporation is that according to the present rules, accommodation of first class standard is provided for members of the crew. The Corporation further undertakes to take into account the view of the parties in regard to accommodation provided at the various layover stations (*vide* paragraph 220 of the replication filed by the Corporation). In view of this statement, I do not propose to make any award on this part of the demand. I have no doubt that the Corporation will take into consideration the views of the members of the crew and treat them with a liberality which has, in the past, characterised its dealings with the workmen.

3. Item No. 32—Foreign allowance

292. Workmen of the Corporation, when they are posted to a place outside India, Pakistan and Ceylon, on permanent transfer, are paid a foreign allowance according to the scale laid down in paragraph 2 of the Establishment Orders. There is a basic foreign allowance and a surcharge for certain stations where the higher cost of living warrants higher foreign allowance. Members of the operating crew, including pilots, first officers, flight navigators and aircraft maintenance engineers of Grade II and above, are paid a basic foreign allowance of Rs. 800/-. All other categories of employees are paid Rs. 600/-. The surcharges at the various stations are set out in sub-paragraph (iii) of paragraph 2. For instance, in Australia, there is a surcharge of 35% of the basic foreign allowance, in Czechoslovakia 60%, in France 80% and in Germany 50% etc. The surcharge has now been revised and increased. The surcharge in Australia is now 55% of the basic allowance, in Czechoslovakia it is 80% (instead of 60%), in France it is 90% (instead of 80 per cent) and in Italy it is 80 per cent (instead of 40 per cent). They have been corresponding increases for other foreign stations also. As a result of the agreement arrived at with the pilots, the commander's basic foreign allowance was increased to Rs. 1,000/-. The allowance of the captains (first officers) remained at its original figure of Rs. 800/-. No claim was made by Party No. 5 representing the aircraft maintenance engineers and so, in the agreement arrived at with them, no mention was made on this item.

293. Party No. 3 also made no claim and the claim by Party No. 2 was that the basic allowance should be fixed at Rs. 800/- per month. The demand of the flight navigators is that their foreign allowance

should be increased by 60% for all existing bases. This would increase their total foreign allowance to Rs. 1,280/- p.m. Party No. 7, flight engineers, claim an increase of 50% of the surcharge on allowance at all foreign stations. But since for most of the stations the surcharge is already in excess of 50%, it will be seen that the demand of the flight engineers has already been conceded by the Corporation.

294. The Corporation opposes any further increase and submits that the basic rates of foreign allowance have been fixed with reference to the grades of employees concerned, while the surcharge on foreign allowance is determined and periodically reviewed after taking into account the changes in the cost of living in various countries. Recently, the surcharge in foreign allowance was substantially raised with retrospective effect from April 1, 1964. The Management has also placed on record a comparative statement (Exhibit M—101) showing the total foreign allowance paid by the Corporation at some of the foreign stations and the foreign allowance paid by the Central Government to the members of the diplomatic staff. A few items from this document may be mentioned.

295. Commanders at Paris now receive a total foreign allowance of Rs. 1,900/-. The highest allowance paid by the Central Government to the Counsellor at Paris is Rs. 1,255/- for married officers and Rs. 1,050/- for single officers. In London, the commander receives Rs. 1,200/- whereas the Minister (Economics) of the Central Government receives Rs. 1,020/- if married and Rs. 875/- if single. The High Commissioner and the Deputy High Commissioner are paid considerably higher rates. But, their diplomatic status, which is not at all comparable to the status of a commander/pilot, entitles them to a higher allowance. They have to maintain a higher standard of living and a more elaborate personal staff as they have to entertain foreign potentates and diplomats. Therefore, the case of the High Commissioner and the Deputy High Commissioner cannot be considered as a basis for determining the various allowances of the workmen of the Corporation. In Geneva, a commander of the Corporation is paid a total foreign allowance of Rs. 1,800/- whereas our Consul General is paid Rs. 1,650/- if he is married and Rs. 1,440/- if he is single. In Rome also, the commander gets Rs. 1,800/- whereas the Counsellor of the Government of India receives Rs. 1,525/- if married and Rs. 1,285/- if single. In Sydney, a commander gets Rs. 1,550/- whereas the First Secretary of the Government of India gets only Rs. 705/- if married and Rs. 610/- if single.

296. It will, therefore, be seen that the foreign allowance, including the surcharge paid to the commanders, compares very favourably with the foreign allowance paid to important officers of the Government of India when posted abroad. When the demands were being negotiated, the first officers did not appear to have pressed their demand and their basic foreign allowance was not increased from the original figure of Rs. 800/-. In the circumstances, it appears to me that the flight navigators and the flight engineers, who rank below the first officer, have really no case for an increase. As pointed out by the Corporation, the surcharge at the various foreign stations is reviewed from time to time, and if the rise in prices justifies an increase, the surcharge is correspondingly raised.

297. The case of the cabin attendance and other officials who are posted abroad, is in no way stronger than the case of the flight engineers and flight navigators. Their basic foreign allowance at present is

Rs. 600/- and this, together with the surcharge, in my view, compensates them adequately for the extra expense which they have to incur when they are posted abroad permanently.

298. In the circumstances, I am not prepared to concede the demands of Parties 2, 6 and 7, and reject them.

4. Item No. 34—Outstation allowance

299. When a workman of the Corporation posted temporarily at an outstation either within India, Ceylon or Pakistan, or in any other country, he is paid an outstation allowance. Temporary posting has been defined as a posting of not more than one year, and the allowance is paid for the entire period of one year. The rates for the period in the beginning are, however, higher. These rates are set out in paragraphs 38 and 39 of the Establishment Orders. No agreement regarding these rates has ever been reached with any of the parties except with Party No. 2 with whom an agreement was reached on May 9, 1960, and certain rates were determined. Subsequently, the Corporation revised these rates on two occasions. I need not give all the details of the rates prevalent at present, but, it will be sufficient to cite a few instances to give an overall impression of this particular benefit provided to those workmen who are posted at an outstation. To a workman posted at Bombay, Calcutta, Delhi, Madras, Karachi, Lahore, Peshawar, Rawalpindi and Colombo, outstation allowance is paid at the rate of Rs. 12.50 per day if his basic salary is below Rs. 200/-; for a workman drawing a salary between Rs. 200/- and Rs. 399/-, the allowance is Rs. 20/- and by a sliding scale, the allowance is increased to Rs. 45/- a day for persons drawing salaries from Rs. 1,200/- to Rs. 1,800/- and to Rs. 55/- per day for heads of departments etc. in the grade the minimum of which is Rs. 1,500/-. This allowance is paid for the first 45 days of the temporary posting. Thereafter, the monthly rate applies. The monthly rate for the lowest-rated workmen (drawing less than Rs. 200/- p.m.) is Rs. 125/- and at the highest level for heads of departments etc. it is Rs. 550/-. Allowance at this rate is paid for the remaining portion of one year of temporary posting. The rates for less expensive stations are slightly lower ranging from Rs. 10/- to Rs. 44/- as daily allowance and from Rs. 100/- to Rs. 440/- as monthly allowance. For postings abroad, that is outside India, Ceylon and Pakistan, the rates are higher and they are set out in Appendix 'B' at pages 98—102 of the Service Regulations. The rates for each country are different and have been fixed after taking into consideration the cost of living at those places. For instance, the daily allowance for places in U.S.A. varies from fifteen dollars a day for employees drawing a salary of less than Rs. 250/- per month to \$ 27.50 a day for officers in the grade with a minimum of Rs. 1,500/- and above. The rates for London are £ 7 a day for the highest paid and £ 3-10-0 for the lowest paid workmen, i.e. those drawing a salary of less than Rs. 250/- per month. For the flight crew, when posted abroad, the rates are understandably somewhat lower because flight crew members are compensated by the payment of lay-over allowance. At the time this reference was made, the rate was £ 3 per day for the first 90 days and thereafter at the applicable monthly rate at which foreign allowance was payable.

300. Party No. 2 had made no demand on this score in their charter, but when written statements were called for, they made an elaborate demand for a substantial increase in daily allowance for all postings.

The Union also wanted some further advantages in the matter of outstation postings, such as that when an employee on ground service is detailed for duty from his normal or shift duty for emergency duties at an outstation, he should be considered to be on duty even while travelling for the purposes of overtime payment and the allowance should be admissible even during privilege leave. It may be mentioned here that outstation allowance is paid during sick leave or casual leave when taken at an outstation.

301. Party No. 3 also asked for an increase, as also Parties 4, 5 and 7. The original claim of Party No. 6 in the charter was for an allowance of £5 per day for temporary postings, but subsequently, they demanded that they should be paid outstation allowance at the rate of £6 per day for a period of 90 days which should be the maximum length of temporary posting. In the settlement reached between pilots and the Corporation, this item was disposed of as follows. Commanders would receive a daily outstation allowance of £5, co-pilots an allowance of £4-10. The rates for Moscow and U.S.A. were left as previously. In the agreement of the engineers (Party No. 5) with the Corporation dated October 15 1965, this demand was dropped by the aircraft engineers. We are, therefore, now left with the demands of Parties 2, 3, 6 and 7.

302. The demand of Party No. 2 is so excessive that it is clearly unreasonable and cannot be entertained. It is demanded that the low-category of workmen should be merged with the next higher category, that the staff drawing a basic salary of Rs. 249/- and below should be paid at the same rate as the staff drawing a basic salary of less than Rs. 750/- but including and above Rs. 250/- per month. It is further demanded that the daily allowance should be increased by 90%. This will lead to the result that a workman drawing a salary of Rs. 50/- posted in India, Ceylon or Pakistan, will receive a daily allowance of Rs. 76/-. This is quite out of proportion to the amount of additional expenses he would have to incur for being posted away from his normal place of business. The other increases demanded are also unduly excessive. Indeed, I do not think there is any justification whatsoever for increasing the already generous rates. Workmen drawing below Rs. 200/- are paid an additional salary of Rs. 300/- at the cheaper stations and Rs. 375/- at the more expensive ones, e.g. Bombay, Calcutta, Madras, etc. This should more than compensate the workmen for the inconvenience and extra expenses consequent upon being posted at an outstation. The foreign rates also do not appear to be in any way inadequate. They were last revised in August 1964. A review of these rates is made frequently and it seems to me that the Corporation has been liberal, if not generous, in paying outstation allowance. The outstation allowances paid by the Corporation compare very favourably with similar allowances paid by other firms in the private and public sectors. The details of some of these firms are given in Exhibit M-103 filed by the Corporation. The Indian Telephone Industries Limited pays no more than Rs. 3.30 per day to personnel of the 4th grade whose maximum pay scale does not exceed Rs. 110/- and for higher scales Rs. 0.50 for every Rs. 12.50 of pay for personnel drawing a salary of more than Rs. 220/- but less than Rs. 800/- subject to a minimum of Rs. 8/- and maximum of Rs. 13.30. The corresponding category in Air-India is paid from Rs. 20/- to Rs. 40/- per day depending on the

quantum of wage. The highest outstation allowance paid by the Indian Telephone Industries is Rs. 18.75 for officers drawing a salary of more than Rs. 1,000/-. The corresponding amount in Air-India is Rs. 55/- per day. Indeed, the outstation allowances paid by other industries appear to be insignificant and derisive when compared with similar allowances paid by Air-India. I can, therefore, find no ground for making any increase in the outstation allowances except in the case of the flight crew and this is justifiable only on the ground that pilots have been given a slight advantage over the previous conditions. The original outstation allowance paid to commanders was £ 3 per day. Under the agreement, it has been raised to £ 5 in the case of commanders and £ 4-10-0 in the case of co-pilots. Throughout these proceedings, I have classed flight engineers and flight navigators as workmen of equal status, ranking below the first officers. In this view of the matter, it is proper to fix the outstation allowance for members of these two unions, i.e. Parties 6 and 7, at £ 4-0-0 per day. The outstation allowance paid to cabin attendants, in my view, is adequate and does not need enhancement.

303. The result, therefore, is that, except for the slight increase in the outstation allowance paid to flight engineers and flight navigators, this demand is rejected.

5. Item No. 35—Resettlement allowance

304. Under the Standing Orders, two types of allowances on transfer are paid by the Corporation. Paragraph 45 deals with settling down allowance which is paid to employees on permanent transfer from any station in India, Pakistan or Ceylon or from one foreign station to another foreign station. Under paragraph 46, a re-settlement allowance is paid to an employee on transfer from one station to another within India. There are two scales of the settling down allowance. For employees drawing a salary of Rs. 750/- and above, a sum of Rs. 1,000/- if unmarried and Rs. 1,200/- if married, is allowed. For employees drawing a salary below Rs. 750/-, the settling down allowance is Rs. 750/- in the case of an unmarried employee and Rs. 900/- in the case of a married employee. Resettlement allowance is payable only to employees drawing a salary of Rs. 700/- and under and the scale is as follows:

- (a) employees drawing a salary less than Rs. 90/- p.m.—Rs. 50/-;
- (b) employees drawing a salary between Rs. 90/- and Rs. 249/- p.m.—Rs. 100/-;
- (c) employees drawing a salary between Rs. 250/- and Rs. 499/- p.m.—Rs. 150/-; and
- (d) employees drawing a salary between Rs. 500/- and Rs. 700/- p.m.—Rs. 200/-.

This scale was settled by an agreement between the parties arrived at on May 9, 1960.

305. In the present reference, no demand was originally made by Parties 4, 5, 6 and 7 although, subsequently, in the written statement, Party No. 5 made a claim for an increase in resettlement allowance. The resettlement allowance, it will be seen, is paid only on transfer from one station to another within India, and properly speaking, this allowance alone has been referred to me. The settling down allowance which is paid on transfer to stations abroad, is not a subject matter of

the present reference, and therefore, any demand in respect of it cannot be considered, as it is beyond the scope of these proceedings. In the agreement of October 15, 1965, Party No. 5 specifically dropped the demand of a resettlement allowance.

306. The demand of Party No. 2 is that resettlement allowance or a settling down allowance of Rs. 1,500/- in the case of unmarried employees and Rs. 1,800/- in the case of married employees drawing a salary below Rs. 750/- should be paid and for employees drawing a salary of Rs. 750/- and above, the corresponding amounts should be Rs. 1,800/- and Rs. 2,000/-. It seems that there was some misconception regarding the true nature of this item, for a resettlement allowance has been interpreted as a settling down allowance whereas the two allowances are distinct and separate matters. If in para 42 of its written statement Party No. 2 makes a demand for settling down allowance, the demand must be rejected as being beyond the scope of this reference.

307. If, on the other hand, the demand is for a resettlement allowance, then, it is quite clear that the amounts claimed are excessive and bear no relation to reality. Party No. 3 has demanded substantial increases in the present scale of resettlement allowances. The present scales and the scales demanded are as follows:

<i>Basic Pay</i>	<i>Present</i>	<i>Demanded</i>
	Rs.	Rs.
Less than Rs. 90/-	50/-	350/- 450/-
Between Rs. 90/- and Rs. 249/-	100/-	450/- 550/-
Between Rs. 250/- and Rs. 499/-	150/-	500/- 650/-
Above Rs. 500/-	200/-	650/- 750/-

308. The scale in force now was fixed by means of an agreement and conditions have not altered to such an extent as to justify a change. The Corporation has opposed the demand and has placed before me a comparative statement (Exhibit M—105) which shows that in no other industry are conditions in any way better than those which obtain in Air-India. The statement contains a list of 15 industries besides Air-India of which 13 are in the public sector and 2 in the private sector. In 11 cases, no resettlement allowance is paid to the employees. In the remaining 4 cases, the resettlement allowance is less than that paid by the Corporation. No evidence was produced before me to support this demand, no cogent arguments have been advanced beyond the submission that the cost of living has gone up and, therefore, there should be an increase in this allowance and the workmen should be allowed to share in the progress and prosperity of the undertaking. This frequently repeated argument cannot be made the basis of increasing every demand, for the cumulative effect of an all-round increase would be to cripple the finances of the Corporation. Substantial increases in salaries and other allowances have been made by this award and I see no justification for conceding an increase in the resettlement allowance. I, therefore, reject the demand.

6. Item No. 47—Travel on duty

309. The present rules with regard to travel on duty are laid down in the Establishment Orders.

310. Under the regulations, employees are allowed to travel first class or economy class according to their status. When travelling on duty, they are given a definite passenger seat in the class to which they are entitled, unless no accommodation is available and in that event, they are provided with seats in the lower class. While travelling by train, similar rules apply. Employees drawing a salary of Rs. 1,200/- and above, are entitled to air-conditioned class if available, otherwise, first class. Employees drawing above Rs. 400/- and below Rs. 1,200/- are entitled to travel in the first class. Employees drawing a salary of more than Rs. 50/- and less than Rs. 400/- are entitled to travel in the second class and employees drawing a salary of less than Rs. 50/- are entitled to travel in the third class. There are similar rules with regard to travel by sea and all employees drawing a salary of Rs. 400/- and above, are entitled to the highest class in the ship on which they travel. Three days' joining time for temporary transfers and seven days' joining time for permanent transfers are allowed to all employees. There are also provisions for free baggage allowance, contained in paragraph 43 of the Establishment Orders.

311. No demand has been made under this item by Parties 3, 5 and 6. The claim of Party No. 2 is very extensive and is set out in paragraph 54 of the written statement of the Party. The various items are as follows:

- (A) For determining salary for the entitlement of class of travel substantive allowances should be included along with basic pay.
- (B) Class of travel as determined under (A) above as per existing provisions should also be admissible in cases where an employee is required to attend Court cases or proceedings or in cases where he is required to attend police stations.
- (C) Free baggage allowance should be 2,000 kilos for married and 1,200 kilos for unmarried employees, and all packing charges to the docks and airport are to be borne by the Corporation.
- (D) The family of the employee, on permanent posting, should be provided with definite seats.
- (E) For employees on ground services, 'flying time' and 'waiting time', in the event of emergency or temporary duties to other stations, should be taken into account to determine overtime work for the purpose of overtime payment.
- (F) In the event of travel on duty—either on emergency or temporary or permanent posting—the employee concerned should have the following joining time:
 - (i) 3 clear days (excluding the period of actual travel) on temporary posting.
 - (ii) 10 clear days (excluding the period of actual travel) on permanent posting.
- (G) The entitlement to class of travel should also be admissible in cases of mutual or voluntary transfers.
- (H) In the event of an employee not being able to undertake any journey by air, he should be allowed to travel by rail—in the event of posting or transfer within India."

312. The pilots claim that they should be given a definite first class seat when they are travelling on duty and a similar claim was made by flight engineers. In the agreement which was arrived at with the pilots on July 26, 1965, no change was made in the conditions prevailing at present and it was merely provided that a pilot travelling as 'staff on duty' will be provided with a definite passenger seat. I have given this matter my most earnest consideration and I am unable to accept the demand made by Party No. 2. The present rules appear to me to be generous in all respects. Taking their demands seriatim, there is no justification for including all allowances for determining the class of travel to which the employee is entitled and as by this award a substantial portion of the dearness allowance has been merged with the salary, the demand will largely be conceded. The case of employees travelling in order to attend court is already provided for by paragraph 29 of the Establishment Orders and no change is warranted in this respect. The free baggage allowance at present is 1080 kilos for an employee with family, when he draws a salary of Rs. 1,200/- and above, and if he travels without his family, the corresponding allowance is 540 kilos. For employees drawing a salary of above Rs. 400/- and below Rs. 1,200/-, the allowances are 810 kilos when travelling with family and 405 kilos when travelling without family. Employees drawing a salary between Rs. 50/- and Rs. 400/-, are allowed 540 kilos when travelling with family and 270 kilos when travelling without family. For employees drawing a salary below Rs. 50/-, the allowances are 270 kilos when travelling with family and 135 kilos when travelling without family. There are no employees of the Corporation drawing a salary below Rs. 50/- and so, the last category is now redundant. These figures are, in my view, adequate and the demand of Party No. 2 must be rejected.

313. With regard to item (D), this is already being done and nothing further need be said about the matter. There is no justification for treating any waiting period as overtime work for purposes of overtime payment and if an employee arrives at his place of work in the morning, shortly before his duty begins, the intervening period cannot, by any stretch of meaning, be said to be a period of overtime work particularly when it is considered that the employees are entitled to joining time whether the transfer is permanent or temporary. Ten days' joining time is now being claimed by Party No. 2 on permanent transfer. It seems to me that seven days is quite adequate for this purpose and the present rules do not need any change. The class of travel to which an employee is entitled on a mutual or a voluntary transfer is decided at the discretion of the Management, and since this is a transfer at the instance of the employee himself, I do not think that there is any justification for altering the present rule. With regard to the last demand—that in the event of an employee not being able to undertake journey by air he should be allowed to travel by rail—the Corporation submitted that if the necessity of travelling by rail arises on account of the ill-health of the employee, the Corporation is always willing to accommodate him. But in other cases, the employee cannot be given this concession because the Corporation's business is air transport and the normal mode of travel should be in the Corporation's planes. This demand too, merits dismissal.

314. The result is that, the demands of all parties on this item are rejected.

GROUP V—Medical and Welfare

315. This Group comprises the following three items:

- (i) *Item No. 26*—Compensation for loss or damage to baggage of Cabin Attendants and flight crew;
- (ii) *Item No. 27*—Passage Regulations; and
- (iii) *Item No. 30*—Medical benefits/facilities.

316. (i) *Item No. 26*.—The matter is dealt with in paragraph 55 (ii) of the Establishment Orders issued by the Corporation where it is provided that when loss or damage occurs to the personal baggage of a member of the flight crew flying as such member, compensation will be payable upto a limit of Rs. 500. Provided that no compensation will be payable if it is established that the member of the flight crew had failed to comply with any orders or instructions issued by competent authority in regard to carriage of crew baggage.

317. The demand made on behalf of all Parties i.e. Cabin Attendants, Pilots, Flight Engineers and Flight Navigators, is, that the limit of Rs. 500 should be raised to Rs. 1,000. Also, the Corporation, at present, makes an advance of £6 to make the purchase of clothing and other toilet items when the baggage is lost and the member of the crew is inconvenienced at an outstation. The demand of all parties concerned is, that this amount should be raised to £20. It is further claimed that compensation for loss of baggage should be paid within a stipulated period of 45 days.

318. Under the agreement entered into by the pilots, their claim was conceded by the Corporation and it has been agreed that pilots will be compensated upto a maximum of Rs. 1,000 for loss or damage to their baggage and their claims will be settled within a period of 3 months. The pilots will also be entitled to an advance of £20 to buy the requisite necessities in case the loss is discovered at an out-station. With regard to the disposal of articles so bought, the present procedure is to continue. The Corporation conceded the demand of the other members of the Cabin crew to the same extent. Therefore, the limit of Rs. 500 will be raised to Rs. 1,000 in the case of all members of the crew and the limit of £6 for the purchase of requisite articles will be raised to £20. With regard to the fixation of period during which claim for compensation must be settled in case of loss of luggage, the Corporation at first opposed the demand on the ground that investigation into the factum of the loss and the quantum of the value of the goods lost must be made. Party No. 4 pointed out an instance of a delay of 1½ years which occurred when members of the crew lost their luggage by an aircraft catching fire at the Bombay Airport. It was pointed out that although compensation for the loss of luggage of passengers was paid within 15 days, the delay of 1½ years in the case of the members of the crew was wholly unjustified. Since the Corporation has agreed to fix a limit of 3 months in the case of pilots, a similar limit may reasonably be fixed for all members of the crew. I would, accordingly, make an award in terms of the agreement arrived at with the pilots and these terms will apply to all the members of the crew. The disposal of goods purchased with the advance will be governed by the present regulations i.e., the goods may either be returned to the Corporation or retained by the member of the crew concerned at half the cost incurred.

(ii) *Item No. 27*—Passage Regulations.

319. The workmen of the Corporation enjoy certain privileges with regard to free and concessional passages. These concessions are set out in Regulation 4 of the Air-India International Employees' Passage Regula-

tions, 1960. Broadly speaking, an employee, after 3 years of service in the Corporation, earns one free passage per year and three other passages at concessional rates. On completing four years of service, he is entitled to two free passages and two at concessional rates. The scheme provides for more liberal concessions for more senior officers and after completing 10 years of satisfactory service, a workman is entitled to two free passages and two concessional passages on payment of 10 per cent of the passage money each year.

320. There are some restrictions with regard to routes and times. The routes on which the passages are available are set out in paragraph (2) of Regulation 4. Also, these concessions are not made available during the peak travelling periods and they are, at all times, subject to the load factor i.e. the passages are not booked definitely and are made available if the load permits. The workmen are given economy-class passages.

321. Party No. 3 has made no claim, but the remaining parties have all demanded further liberalisation of these regulations. Broadly speaking, the demands are that there should be increase in the number of free passages and there should be no limit to the number of 90 per cent concessional passages. It is further claimed that definite bookings should be made on payment of 10 per cent of the passage money, and the restriction regarding the non-availability of these concessions during peak periods should be removed. It is also claimed that the definition of the word "family" should be enlarged and passages should be made available during any type of leave including casual leave, and finally, on retirement, one passage should be granted each year.

322. These demands have been opposed by the Corporation on two grounds. In the first place, it is urged that passage concessions are not a part of the workmen's conditions of service, and, therefore, do not come within the scope of this reference. In the second place, it is alleged, that the existing provisions are very liberal and it would not be possible for the Management to increase the number or to make the passages which are subject to load any more definite than they are, as that would involve loss of revenue from fare paying passengers or the uplift of revenue earning cargo or the Corporation's stores.

323. I do not propose to discuss the legal objection and it will be sufficient to say that the matter has been referred to me and I am not inclined to reject the demand *in limine*, particularly, as I consider the demand not reasonable. The present passage concessions are, in my view, very liberal and the restrictions relating to the load factor and the peak travelling period, are necessary in the interest of the revenues of the Corporation. The Corporation has prepared a statement (M-106) indicating the total loss of revenue which will result if these demands are met. I am not convinced that the calculations have proceeded on a sound basis and the figure of Rs. 1.00 crore representing the loss in revenue may well be greatly exaggerated. Be that as it may, I consider that the present concessions are sufficiently liberal and I find no justification for conceding any part of this demand to any of the Unions, and therefore, reject it.

(iii) Item No. 30—Medical Benefits/facilities.

324. Those employees of the Corporation who come within the purview of the Employees' State Insurance Act, are entitled to receive medical benefits provided by the Employees' State Insurance Corporation. For all other employees, the Air-India Corporation has prepared a scheme of medical benefits. A brief account of the benefits for these two

classes of employees may be given before coming to the demands of the workmen made now.

325. The medical benefit scheme under the Employees' State Insurance Act, is a contributory scheme. The details of the medical benefits provided are set out in the Indian Labour Year Book 1963. These benefits cover all classes of maladies. For instance, a tuberculosis patient is entitled to medical care for about a year following the date on which he becomes disentitled to it provided he had two years' continuous service to his credit at the time T.B. was diagnosed. Medical benefit is provided either in the form of out-patient treatment at a dispensary or at a clinic of an Insurance Medical Practitioner, or other institution or by visits to the home of the injured persons or as in-patients in a hospital or institution. Important among the other benefits provided to injured persons are (i) payment of conveyance charges, and or compensation for loss of wages to injured persons called to appear before a medical board, referee or a hospital, (ii) supply of spectacles on a no-profit no-loss basis, (iii) supply of spectacles free of cost in case of impairment of vision resulting from employment injury, and (iv) supply of dentures free of cost in case of loss of teeth due to employment injury. There is an independent hospital at Bombay, M.G.M. Hospital, containing 60 beds for use of the injured employees. The scheme is being gradually extended and is financed by contributions made both by the employees and the employers and also by the State Governments.

326. For those employees who are not covered by the Employees' State Insurance Act, the Corporation prepared an extended medical benefit scheme which became operative on October 19, 1962. This scheme does not extend to the family of the employee but provides the employees with a number of medical facilities. An employee is entitled to free consultation and out-patient treatment at the Corporation's dispensary when he falls ill and the Corporation reimburses the medical expenses incurred by an employee when he is on authorised leave at a place in India where the Corporation has not arranged medical facilities. The Medical Officer of the Corporation will visit the sick employee at his residence and the medicines prescribed by the Medical Officer are dispensed at the Corporation's dispensary. If such medicine is not, however, available at the dispensary, then the cost of purchasing it in the market is reimbursed. The Medical Officer, may in a suitable case, recommend a sick employee to receive indoor treatment or undergo a surgical operation at a local hospital and the cost of such treatment or operation is borne by the Corporation. The employee may, with the prior approval of the Medical Officer, have himself operated upon by a surgeon of his own choice and in such a case too, the Corporation will reimburse the cost incurred upto the extent of the amount which the Corporation would otherwise have paid if the operation had been performed in a hospital recognised by the Corporation or named by the Corporation's Medical Officer. An employee suffering from tuberculosis will be reimbursed in respect of any charges incurred by him for his treatment. Pathological or X-Ray examination of an employee may be made at a local hospital at the direction of the Medical Officer and the cost of such examination is borne by the Corporation. The Medical Officer may send a sick employee to a specialist for consultation and the cost of such consultation or examination is borne by the Corporation in some cases. In the case of an employee suffering from tuberculosis, the cost of fruits purchased by him on the advice of the Medical Officer or injections administered to him, will be reimbursed. The cost of hospitalising an employee suffering

from leprosy is also borne by the Corporation. In the case of an employee suffering from diabetes, the cost of medical treatment is reimbursed for a maximum period of one year. When an employee falls sick during office hours, he is provided free of charge, the necessary conveyance to the hospital or his residence at the discretion of the Medical Officer. An employee injured during the course of his duties not arising out of his negligence or default, is provided with all reasonable medical aid or expenses as certified by the Medical Officer.

327. To the above must be added the terms of the agreement arrived at between the Corporation and the Pilots and the Aircraft Maintenance Engineers. This item was disposed of in the following manner:

"It is agreed that the present medical benefits to Pilots will continue. Further, the Management has agreed in principle to evolve in consultation with the Guild, at an early date, a contributory scheme for extending a prescribed amount of medical facilities to the family of a pilot".

The agreement with the Aircraft Maintenance Engineers is in the same terms.

328. The demands made by the various Unions whose case now remains to be considered are very extensive. I cannot do better than quote the relevant passage from the written statement of Party No. 2 (paragraph 37):

"(A) Best available medical treatment including treatment by specialists and hospitalisation provisions at approved hospitals and/or nursing homes should be provided, for staff and family.

(B) A panel of specialists should be appointed in consultation with the Union.

(C) *Hospitalisation*.—Beds should be reserved in different hospitals/Nursing homes and admission should be readily available to all the employees according to their entitlements, specially to lower categories of staff. No staff should be sent to free ward. Staff drawing Rs. 500 per month and above should be entitled for the I Class Ward, and those drawing below Rs. 500 per month should be entitled for II Class Ward. All facilities including diet charges be paid in case of indoor treatment. The employees should be given the choice to select his own specialist/consultant/Institution/Hospital and Nursing homes.

(D) For the convenience of the employees. General Practitioners/Physicians should be approved by the Corporation in each area. An employee or any member of his/her family requiring treatment will be entitled to go directly to this doctor or hospital or Nursing home or if bed-ridden or unable to move out, will be entitled to call such doctor to his/her residence. All expenses for such treatment including transportation charges should be borne by the Corporation.

(E) The fit certificate issued by the personal doctor should be accepted by the Corporation.

(F) An employee desirous of consulting the Medical Officer or Practitioner of the Corporation at his/her residence, may do so provided he/she is unable to go to the Medical Officer due to his/her illness.

(G) The cost of all hospitalisation/nursing home facilities including visit fees of the physicians/specialists and also including treatment, medicines, diet including prescription prescribed by the approved doctor should be reimbursed on presentation of bills within a period of two weeks. Bills for the services rendered by hospital/nursing home including costs of medicines etc. should be reimbursed within two weeks.

(H) The Medical Officer of the Corporation or on the advice of the approved doctor when he considers it necessary for indoor treatment or for surgical operations, the cost for such indoor treatment should be borne by the Corporation.

(I) *Injury while on duty.*—All expenses including transportation charges to and fro to hospital should be borne by the Corporation. Appliances such as glasses, dentures, cossets, crutches should be paid by the Corporation.

(J) *Maternity benefits.*—All facilities including antenatal-prenatal and confinement treatment in recognised Hospitals/Nursing homes should be provided.

(K) All pathological/radiological investigation when recommended by the Medical Officer of the Corporation or of the approved doctor should be paid by the Corporation. A list of Pathologist/Radiologist should be displayed for information of all staff.

(L) The Medical Officer or on the recommendation of the approved doctor may refer the employee to specialists for consultation and treatment. Artificial dentures or spectacles or hearing aids when recommended or necessary should be provided by the Corporation or costs reimbursed.

(M) Beds should be reserved in Sanatorium and in T.B. Hospitals for T.B. patients. T.B., Leprosy, cancer or any malignant diseases should be given special attention by the Corporation as regards the treatment (including admission, operations etc.) leave, special diet etc. should be paid to the extent until he is declared fit. Diabetes patients should be treated for one year free of cost but investigation and any complication secondary to diabetes should be treated regularly.

(N) The General Manager may at his discretion grant the employee concerned leave with full pay beyond the period of leave to which the employee might be eligible, in cases covered under (M) above or at his discretion in other cases if necessary.

(O) The medical benefits/facilities admissible under this item would be applicable in India and abroad.

No demand was made by Party No. 3 and the demands made by Parties No. 6 and 7 are somewhat similar in terms though not quite so extensive and far-reaching as the demands of Party No. 2.

329. Even a cursory examination of the demands of Party No. 2 set out above, will show that it is impossible to concede demands of such an extensive nature without imposing a massive financial burden upon the Corporation. It was stated on behalf of the workmen that in other industries and airlines, medical facilities far better and far more satisfactory than those provided by Air-India Corporation, are available. No evidence on this point, however, was produced before me and I am unable to accept their contention that other business concerns or other airlines have more liberal schemes for providing medical benefits to their employees. It

seems to me that best way of dealing with this question is the manner in which the pilots and Aircraft Maintenance Engineers have dealt with it. There is no doubt that medical facilities should be available to employees at reasonable cost. But, the burden for this cannot be imposed entirely upon the employer and the answer to the problem is to formulate a Contributory Health Scheme. Such a scheme exists for the benefit of the Central Government servants and has, on the whole, proved satisfactory. There appears to be no justification for making an award which would result in imposing an unduly heavy burden on the Corporation and I am satisfied that Parties No. 2, 6 and 7 would be sufficiently benefited if in their case too, a contributory health schemes of the type which is under consideration to cover the case of pilots and Aircraft Maintenance Engineers, is prepared by the Corporation in consultation with the employees who do not come within the scope of the Employees' State Insurance Act. These latter will continue to receive the medical benefits provided by the Employees' State Insurance Corporation.

330. The Corporation raised a preliminary point that the demand for medical benefits was not connected with employment or terms of employment or conditions of employment and, therefore, does not give rise to an industrial dispute. This preliminary objection was argued somewhat half-heartedly on behalf of the Corporation, and in view of the fact that the Corporation has entered into an agreement with the pilots and the Aircraft Maintenance Engineers with regard to this demand, it is clear that the Corporation has already waived this preliminary objection. I find no force in it when considered in relation to the other workmen whose case is before me. My award therefore is that the present medical benefits will continue to be provided by the Corporation, until such time as a suitable Contributory Health Scheme applicable to all classes of employees can be devised and implemented.

GROUP VI—*Standard Force and Promotion*

331. This Group comprises two items:

(i) *Item No. 24—Standard Force (Cabin Attendants and Flight Crew).*

and

(ii) *Item No. 39—Promotion.*

332. (i) *Item No. 24.*—The substance of this demand is, that the Standard Force or the total number of personnel engaged in any particular class of work, should be determined by the Management in consultation with the workmen and in agreement with them. The reference relates to only the Cabin Attendants and flight crew and the determination of the Standard Force of other categories of workmen is completely beyond my jurisdiction. The nature of the demand made by the Pilots and the Flight Engineers, is worded in almost identical terms. Paragraph 28 of the statement filed by Party No. 4 which corresponds with paragraph 25 of the statement filed by Party No. 7, is in the following terms:

“The Guild states that it is desirable that the total workload of the pilots should be so determined as to ensure the safety and efficiency of the flight and the health of pilots. The existing strength of pilots is not adequate and does not meet the requirements of Standard Force, the determination of which must take into account the periodic flight and duty time limitations, standby duty, simulator training, refresher courses,

leave, etc. The inadequacy of the number of pilots required to meet this total workload is evident from the fact that although the maximum for accumulating privilege leave is 90 days, many pilots have now to their credit leave ranging from 120 to 200 days due to the inability of the Corporation to grant leave for the last three or four years. The Guild is a responsible and recognised organisation of pilots and is best suited to express its opinion on standard force based on its own experiences. Joint consultations are necessary and determination of standard force cannot be regarded as purely management function when safety of pilots and passengers are vitally concerned and pilots are the men of the spot. The Guild therefore demands that the Corporation should agree to determine the Standard Force jointly with the Guild and its demand as mentioned below is justified.

“A statement of the Standard Force of Administrative Posts in the Operations Department of the Corporation and of pilots in the rank of Commanders and First-Officers will be furnished to the Guild once in each financial year. The Guild will be consulted and suggestions, if any, will be considered.”

333. The Corporation, while expressing its willingness to take into account the view of the workmen concerned, in respect of the factors like duty time limitations, rest periods, leave facilities etc., which go to determine the strength of the various categories of flight crew, claims that the final determination of the Standard Force must rest with the Management. There can be no two opinions about this matter and since the Management has expressed its willingness to consult the workmen concerned, nothing further need be said on this matter.

334. In the agreement which the Pilots entered into with the Corporation, this item was disposed of in the following manner:

“It is agreed that the standard force of Administrative posts in the Operations Department of the Corporation and of Pilots in the rank of Commanders and Co-pilots shall be furnished to the Guild once in each financial year. The Guild will be consulted in this matter before such figures are furnished.”

335. Therefore, the pilots clearly dropped their demand that an agreement must be reached before the Standard Force could be determined. This matter was not dealt with in the agreement with Party No. 5. The demand on this score is contained in paragraphs 20 and 21 of the written statement in which the two closely related matters of standard force and overtime payment are discussed. Party No. 5 explicitly dropped the demand with regard to overtime payment and it is clear that the demand relating to standard force was also intended to be dropped, it being inseparable from the question of overtime payment. We may, therefore, assume that Party No. 5 thought it wise to drop the demand on this score. The remaining classes of flight crew cannot claim a higher privilege than that claimed by the Pilots. I, therefore, reject this demand with the observation that the Management will, in accordance with the statement made before this Tribunal, consult the workmen concerned before the quantum of standard force in the various categories is determined. The final arbiter in the matter must, however, be the Management.

(ii) *Item No. 39—Promotion.*

336. The plea of the workmen is, that promotion is not always made upon considerations of merit and seniority and that there are frequent cases of favouritism and nepotism. Party No. 5 (Aircraft Maintenance Engineers) and Party No. 6 (Flight Navigators) have worded their demands in the present reference in a very vehement manner. It is clear that these two parties consulted each other before preparing their written statements because their demands are in identical terms. I may quote paragraphs 42 and 43A and 43B of the written statement filed by Party No. 5:

"42. The Air-India has an outstanding record of favouritism in the administration of personnel. No opportunity is lost by some persons holding administrative posts in the Corporation to attempt to push their favourites into higher positions and give opportunities for the same jumping the claims of seniors.

43-A. The Association says that in every case of a vacancy occurring in a higher post, opportunity must be available to the man immediately following to step into it. This alone will find persons holding administrative posts in the Corporation to this public undertaking. The Engineers, therefore, demand as follows:

"The promotions should be on the basis of seniority. When an engineer is promoted or appointed to a higher grade, his position of entry in the new grade should be so fixed, that his total emoluments including allowances are not less than the total emoluments drawn by him before such promotion or appointment. When a vacancy is to be available, such vacancy should only be filled up by staff available within the department on seniority basis. A seniority list should be maintained and a copy given to the Association."

43-B. In case of a private undertaking an employer always keeps in view the progress of the undertaking. It can, therefore, be assumed that his judgment of men would be governed strictly on the intrinsic worth of each and his capacity to contribute to the prosperity of the undertaking. There would, therefore, be little opportunity for favouritism. In a Corporation like the Air-India where those in management have no personal stakes at all, there is great danger that administrative discretion may be misused for self-aggrandizement or on extraneous consideration."

337. Despite this strong stand taken by Party No. 5, when negotiations for an agreement were being conducted, Party No. 5 deemed it wise to drop this demand completely and this fact was specifically mentioned in the settlement of October 15, 1965. No demand were made by Parties No. 4 and 7.

338. With regard to Party No. 2, it may be mentioned that they made a somewhat similar demand some years ago but it was dropped when the agreement dated May 9, 1960, was entered into. They made no demand on this score in their charter but in their written statement, multifarious demands on this head have been made. Party No. 3, it may be remembered, was originally a part of Party No. 2. A demand for promotion on grounds of seniority has now been made by this Party.

339. The contention of the Corporation is that some of the demands made by Party No. 2 are not covered by the definition of promotion and are, therefore, not the subject matter of this reference, they are, therefore, beyond the jurisdiction of the Tribunal.

340. With regard to the demands of the other parties, the contention of the Corporation is, that the promotion policy is based on very sound and equitable grounds and the efficiency of the industry being the most important consideration, no change is necessary. This contention was sought to be substantiated by placing on record a number of circulars in which the promotion policy is clearly set out.

341. I shall first deal with the demands of Party No. 2 because it is clear that some of these demands are beyond my jurisdiction. The demands of this party are contained in paragraph 46 of their written statement and are as follows:

- "46. (A) Fresh entrants should be in the basic grade. For the existing employees vacancies in the basic grade should be filled on practical test. Establishment strength should be subject to half-yearly review in consultation with the union.
- (B) Promotions to higher posts or grades should be on the basis of seniority with satisfactory record of service for the immediate two years preceding promotions.
- (C) Maximum period of probation should be six months.
- (D) In all cases of upgrading, seniority of service should have precedence over merit. Selection will be in agreement with the Union."

It is clear that neither the demand contained in paragraph (A) nor the demand contained in paragraph (C) above, has any bearing on the question of promotion. The Corporation is fully alive to the importance of taking seniority and merit into consideration while promoting its workmen to higher posts. Appointments to Grade I and Grade III to VI are made by direct recruitment. Promotion to Grade II is made on grounds of seniority and merit as also promotion to Grade VII, VIII and IX. The policy of the Corporation is contained in the following circulars (U/II/61):

- (i) Circular No. 7/55-56, dated February 9, 1956;
- (ii) Circular No. GM/51-19/3, dated March 16, 1960; and
- (iii) Circular No. GM/61-1/5519, dated October 22, 1963.

342. A few extracts from these circulars will indicate that the policy of the Corporation is a very sound and just one. Paragraph 4 of the first circular is in the following terms:

"When vacancies are to be filled otherwise than by promotions, they must be advertised, and existing staff should be permitted to apply in answer to open advertisements. Applications received from time to time should also be considered along with those in answer to such advertisements."

Paragraph 9 provides that promotion should be considered on a merit-cum-seniority basis. Paragraph 10 requires that for purposes of promotions, Departmental Promotion Committee should be set-up by each department with a representative of the Personnel Office in each such committee.

343. The second circular of March 16, 1960, contains the following direction:

"The correct method is that when a Department Head finds senior people suitable for promotion on merit no further action is required except to promote them accordingly. It is only when supersession on seniority is involved that a need to appoint a Committee will arise and the Department Head should appoint a committee and indicate to the committee how many people are to be interviewed. In indicating this number everybody senior to the juniormost mentioned by the Department Head must necessarily be interviewed."

344. The third circular of October 22, 1963, is even more explicit and direct. Paragraph 2 provides:

"The promotions will be on the basis of seniority, subject to the rejection of the unfit. In other words, the overwhelming consideration in these cases would be seniority. The question of superseding the senior employee will arise only if he is considered unsuitable for the higher post. If on the basis of his work and conduct the senior employee is not declared unfit for promotion, the promotion will go to him, even when there is an employee of superior merit available below him in the seniority list. If there is more than one promotion to be made, the candidates promoted will continue to retain their existing order of seniority in the higher grade; that is, the employees in the lower grade who are not considered unfit for promotion, will be promoted according to their seniority."

345. If the directions given in the above circulars are implemented, there can be no case of favouritism and nepotism. In order to satisfy myself of the allegations made by Parties No. 5 and 6 whose written statements have been quoted above, I asked Counsel for the workmen to mention instances of such favouritism. None were, however, mentioned by them and no evidence whatsoever has been produced to support the contention that promotions are not made in a just and equitable manner. The demand that seniority should be taken into consideration is already being given effect to although it is quite clear that promotion cannot depend entirely upon seniority because merit must not be ignored if the efficiency of the administration is to be maintained at a high level. The fact that Party No. 5 which set out its demand in very vehement terms chose to drop it when negotiating its settlement, shows that the allegations of nepotism and favouritism, were not made in earnest and the parties found themselves unable to substantiate them.

346. A reference may be made to certain observations made on the question of promotion made in the report of the Central Pay Commission of 1947 at page 64:

"The general formula of seniority-cum-merit was formally accepted by all, but the advocates of seniority interpreted it to mean that seniority should prevail except when a person has been declared to be unfit. We do not think it right to put such a limited interpretation on the principle. The purpose of promotion is not merely to give the public servant more pay, but also to give him more responsible position and more extensive authority. The question must, therefore, be judged both from the public interest and from the interest of the individual concerned. The principle of seniority assumes that all mem-

bers of a particular grade are equally fit for promotion. Such an assumption may not do much harm in the lower grades of the service but it cannot be generally accepted when dealing with promotion in or to the top grades ... In the higher grades of the service, considerations of fitness must have precedence over the claim of seniority."

In the circumstances, the claims of Parties No. 3 and 6 do not appear to me to have any force whatsoever. The Management has taken adequate measures to safeguard the interests both of the workmen and of the Management with regard to efficiency. It may be repeated that Party No. 2, on a previous occasion, dropped this demand and did not make it in their original charter of demands which gave rise to this reference.

347. I need not discuss this point further and the quotations given from the circulars of the Management clearly show that the Management does follow a policy which reduces to a minimum any risk of undue favouritism. This demand is accordingly rejected.

GROUP VII—*Fixation and Date of Implementation.*

348. This group comprises the following items:

1. *Item No. 2—Fixation in the new pay-scales.*
2. *Item No. 56—Date of implementation.*

1. *Item No. 2—Fixation in the new pay-scales.*

349. All workers will be fixed in the new pay-scales according to the length of their service. For instance, a workman in Grade I, in his fifth year of service, will draw a basic pay of Rs. 120 and the dearness allowance of Rs. 65 i.e. a total of Rs. 185, his present emoluments including interim relief being Rs. 177. As the categories covered by the existing grades have not been altered and the pay-scales have been framed on the basis of yearly increments, there will be no difficulty or complexity in applying the new pay-scales to all workmen of various grades. Fixation in the case of Parties 4 and 5, will however, be done in accordance with their respective agreements.

2. *Item No. 56—Date of implementation.*

350. Nearly all parties demanded that the award should be implemented retrospectively and not from the date of its publication by the Government.

351. Party No. 2, for instance, claimed that the decisions with regard to items 1 to 19, 21, 23, 28, 29, 31 to 38, 40, 43, 45, 46, 51, 54 and 55, should be implemented with effect from November 7, 1963.

352. Party No. 3 made the same claim. It also claimed that the gratuity scheme should be made effective from December 1959 when the old scheme applicable to ex-Air India and ex-Air Services of India Limited employees was terminated.

353. With regard to Party No. 4, the agreement with the Corporation itself makes provision for the date of implementation although its original demand was that the award should be made effective from January 1, 1963.

354. Parties 5 and 6 made no demands on this score.

355. The claim of Party No. 7 was that the award should be given retrospective effect from January 1, 1963.

356. With regard to Parties 2 and 3, it must be stated that they were granted interim relief with effect from January 1, 1964, and the relief thus given, went to satisfy the demands of these parties to a large extent.

357. Under the agreement with Party No. 4, the new terms settled between the pilots and the Corporation, became effective with regard to some matters on April 1, 1964, and with regard to other matters on January 1, and March 1, 1965. For instance, Item Nos. 1, 2, 15, 19, 41, 43 and 51; became effective from April 1, 1964. Item Nos. 18 and 44 became effective from January 1, 1965, and Item Nos. 29, 32 and 34, came into effect from March 1, 1965. The dates given in the agreement are the proper dates for implementing the various matters settled by this agreement.

358. The agreement of Party No. 5 also provides for the implementation of the settlement upon various matters. Some of the matters are to become effective from April 1, 1964, and others with effect from January 1, 1965. It seems to me just and proper that the dates of implementation for similar items in the case of Parties 6 and 7, should be the same as for Parties 4 and 5. My award with regard to these parties, therefore, will become effective upon those dates upon which the parties have already agreed.

359. With regard to Parties 2 and 3, I have already stated above that a measures of relief was given to them and in their case, I feel that there is no further justification for making the entire award retrospective except with regard to the gratuity scheme which will become effective from April 1, 1962. Such of the other items e.g. Item Nos. 15, 18, 19, 29, 34, 49 and 52, as have been conceded to these parties and/or to Parties 6 and 7, on the analogy of the treatment accorded to Party No. 4 in its agreement with the Corporation, will become effective from the same dates as have been prescribed in its agreement with that party.

360. The pay scales and dearness allowance prescribed by me for Parties 2, 3, 6 and 7 will become enforceable from July 25, 1964, the date upon which this Tribunal was appointed and the reference was taken up. The remaining items of the award shall become effective from the date of the publication of this award. This, I feel, is the most just and equitable way of dealing with the matter of date of implementation.

Item No. 57: Interim Relief.

361. I have already given a brief account of the manner in which a settlement with regard to Interim Relief was arrived at. Here for the sake of completion, I repeat the narrative in greater detail.

362. At an early stage of the proceedings an application was made on behalf of the workmen represented by Party No. 3 that the demand relating to interim relief may be heard immediately or else the purpose of that demand would be frustrated. This application was heard on the 18th November, 1964. Its main substance was a demand for a 30 per cent. increase in the dearness allowance of workman earning a salary between Rs. 51 and Rs. 650. After hearing arguments of both sides I held that there was not sufficient material on record before me to come to a conclusion that the interim relief claimed must be granted at once. The only point raised before me was that there had been a substantial increase in the cost of living index and this necessitated the grant of

interim relief by this Tribunal. I did not feel justified in passing orders regarding the grant of interim relief until further details and evidence to substantiate the claim were produced.

363. On 30th December 1964, a joint application was filed on behalf of the Air India Corporation and the Air Corporations Employees' Union—Party No. 2 according to which an agreement had been reached between the two said parties that once *ad hoc* increment should be granted to the workmen on the following conditions:

- (i) Subject to what is stated herein below, one *ad hoc* increment in the existing scale of pay would be granted with effect from 1st April 1964 to those workmen whose basic pay-scale does not exceed Rs. 650 per month.
- (ii) The said *ad hoc* increment would be added to the basic pay as on 1st April 1964 in the existing grade of those workmen who are in the permanent service of the Corporation on the said date, at the rate at which next immediate increment may be due, but where no such increment is due by reason of the fact that a workman has reached the maximum of his pay-scale, the said increment shall be paid to him as though it were a 'secondary increment' due within the meaning of Regulation 15B of the Air-India Employees' Service Regulations.
- (iii) The *ad hoc* increment will also be payable to temporary workmen with effect from 1st April 1964 provided they had completed one year's continuous service on that date. In the case of temporary workmen or probationers who had not completed one year's service but had been in continuous service on 1st April 1964, the *ad hoc* increment will be payable to them with effect from the date of confirmation or on the completion of one year's service after 1st April 1964 whichever is earlier.
- (iv) In respect of the workmen drawing a basic pay of Rs. 101—120 as on 1st April 1964 the interim relief will be Rs. 25 on and from 1st April 1964 instead of Rs. 20+Rs. 10 special allowance sanctioned under Staff Notice No. 15/64-65 dated 1st June 1964.
- (iv) It is further agreed that for the purpose of fixation of pay, if any, on the basis of the award to be made by the Honourable Tribunal, the existing pay of the employees will be taken as the pay which they would have drawn but for this agreement i.e. without the addition of the *ad hoc* increment.
- (vi) Any payment made as an *ad hoc* increment with accretion of dearness allowance thereto would be set off or adjusted against any monetary benefit which may be payable under the Award of the Honourable Tribunal or recovered in any other manner if no such monetary benefits are payable under the Honourable Tribunal's Award.

364. It was distinctly understood between the parties that the said *ad hoc* increment as above, should be deemed to be an increase in Interim Relief in settlement of the demand made by the Air Corporation Employees' Union, under item No. 57 of paragraph 1 of the Schedule appended to the Government of India, Ministry of Labour and Employment's Order dated 25th July 1964, and the aforesaid demand of the said Union for Interim Relief shall no longer survive.

365. The above mentioned application was heard on the 14th January 1965 and an award was made in terms of the said agreement. This award

has already been published in the Gazette of India S.O. 651 dated the 15th February 1965 and is now printed as Appendix I.

PART II—*What relationship, if any, should the wage-structure of Air India bear to the wage-structure of Indian Airlines with reference to comparable categories of workmen performing similar functions?*

366. Let me confess at once that I find myself in somewhat of a quandary while dealing with this part of the reference. The order, essentially refers for my adjudication, a dispute between the Management of Air-India and its workmen only. Nothing is said about any dispute between Air-India and the Indian Airlines Corporation or between Indian Airlines Corporation and its employees. For this reason, I did not choose to make either the Management of the Indian Airlines Corporation or its workmen, parties to these proceedings. Notice of the proceedings was sent to them and when their representatives appeared before me, I told them that they would not have the right to address me upon the 57 items of Part I because they were not directly concerned with the dispute relating to these items, the dispute referred for adjudication being exclusively between the Management of Air-India and its workmen. There was, however, the question of Part II in which I was asked to determine the relationship which the wage-structure of Air-India should bear to the wage-structure of Indian Airlines Corporation and on this point, all parties, viz., the Managements of Air-India and Indian Airlines Corporation and the workmen of both concerns, had a right to be heard. I, accordingly, gave them the opportunity to make their representation before me when I had all but concluded my hearing of Part I.

367. Shri G. B. Pai appeared on behalf of Indian Airlines Corporation, while on behalf of the workmen, Captain A. S. Brar represented the Indian Commercial Pilots' Guild. He pleaded for an adjournment to enable their Counsel to come and argue their case before me. I, however, suggested that Captain Brar could himself put forward the case of his Union. Captain Brar then said that there were certain points which he wished to elaborate. He referred to the point about foreign allowance or overseas operations allowance paid by Air-India to its pilots and pleaded that the pilots of the Indian Airlines Corporation should also be paid a similar allowance. It may be mentioned, that Party No. 2 in the proceedings, i.e. Air Corporations Employees' Union, has, as its members, workers of the Indian Airlines Corporation as well and on their behalf, Shri Buch appeared and made his submissions to which I shall briefly refer. Shri Ramaswamy appeared on behalf of Party No. 3.

368. An objection was raised on behalf of Parties 2 and 3 that Part II of the Schedule could not properly be referred to me because it did not amount to an industrial dispute and there was never any dispute between the Air-India Corporation and its employees as to what should be the relationship between the wage-structure of the two Corporations. None of the demands raised by the Unions had any reference to the subject matter of Part II of the Schedule and the Government of India, therefore, had no power to refer this matter to the Tribunal. Shri Ramaswamy contended that when there is no dispute regarding a matter, it cannot be referred to an Industrial Tribunal for making an award. Shri Buch contended that whatever decision was made by this Tribunal could not bind the employees of the Indian Airlines Corporation because they were not parties and they had not been heard on each of the items of Part I.

369. The stand taken by the Indian Airlines Corporation and the Air-India Corporation, on the other hand, is that this is a fit matter for my adjudication and that a reference having been made, I must give my award thereon. Shri Pai stated before me that generally speaking, the Management of the Indian Airlines Corporation was prepared to grant the same pay and conditions of service with minor modifications to its employes as obtained in the Air-India Corporation, particularly with regard to pilots, flight crew and the engineering staff. With regard to the traffic staff and other ground staff, his contention was that there were certain differences, because whereas the employees of Air-India worked only in Bombay, Delhi, Calcutta and Madras, the employees of the Indian Airlines Corporation worked in many other places where conditions of service were different. With regard to pilots, Shri Pai conceded that the IAC pilots will be entitled to same pay and allowances as the pilots of Air-India with the exception of Overseas Operations Allowance to which the pilots of IAC were not entitled because they operated on internal routes only. On this point, on behalf of the pilots of IAC, it was contended by Captain Brar, that the total emoluments of pilots in both the Corporations should be the same. His contention was that, the overseas operations allowance was not a separate allowance to which only pilots operating on the international airlines were entitled, but was a part of the total emoluments the various portions of which had been suitably adjusted in order to obtain an adequate total sum. In other words, he meant to imply that the basic salary of pilots in Air-India had been slightly undervalued in order to introduce an overseas operations allowance which brought their total emoluments to the requisite sum. I find it difficult to accept this argument because pilots who operate on international routes are entitled to an additional allowance because of the peculiarities of their service and also of the additional expenditure incurred by them. It is not enough to say that the additional expenses are amply compensated by their layover allowance or their overseas operations allowance because, as already stated by me in an earlier part of this award, the pilots of Air-India compete with pilots of other international airlines and they do not wish to feel a sense of inferiority when comparing themselves with others who are similarly placed and who are not more skilled or more efficient in the performance of the same type of duties.

370. Any award that I make with regard to Part II of the Schedule cannot be said to have the same binding force as my award on Part I which is between two parties who have been exhaustively heard on each and every item. Under law, both Air-India and its workmen are bound by my award. The IAC is not a party to these proceedings nor are its workmen. In the circumstances, my award cannot be binding in the same sense as my award on Part I. Shri Pai, nevertheless, said that the IAC would accept my adjudication with regard to Part I also and implement it. It is clear that no question of a workman refusing to be bound by what I say can arise unless the workman is adversely affected by it. I feel that it would be improper for me to lay down categorically the relationship which should exist between the wage-structures of Air-India and Indian Airlines Corporation. At the same time, I do feel that the two Corporations are so similar both in their constitution and in their objective that there should be not only a similarity in their wage-structure, but as close a parity as it is possible to maintain, having regard to the local and other differences. Both Corporations operate in the public sector, and the funds of both are provided by Government. Both are air transport industries. The pilots of Air-India are mostly chosen from pilots of Indian Airlines Corporation. Although the pilots of Air-India travel over international

routes and perform their landings and take-offs from congested airports, the duties of the pilots of IAC have their own peculiar complexities. They have to land and take-off much more often, and their routes being shorter, the strain is perhaps not, in any way, less than the strain which the duties of the pilots of Air-India impose. The IAC now proposes to introduce more jets on its routes and its engineering staff is required to perform the same sort of duties as the engineering staff of Air-India. Thus, as far as the flight crew and the engineers are concerned, there is a close similarity between the duties of the workmen of the two Corporations. • This has been admitted by Shri Pai on behalf of IAC and he has conceded that the Corporation is willing to accept the salary scales which this Tribunal will award to the workmen of Air-India.

371. I would, therefore, say that there should be a parity or near parity between the workmen of Air-India and the workmen of Indian Airlines Corporation with regard to comparable categories of workmen performing similar functions. In the case of Air-India, the flight crew are entitled to an additional overseas operations allowance to which the pilots of IAC will not be entitled. The engineering staff of both the Corporations perform similar duties and their wage-structure should be the same. With regard to the other ground staff, the wage-structure of workmen at Bombay and at Delhi are to be the same but elsewhere minor differences may exist because of local conditions. These must be worked out by negotiation between the Management of the Indian Airlines Corporation and its workmen or if negotiation cannot lead to any satisfactory agreement, by reference to a Tribunal. I am informed that many of the agreements between the Indian Airlines Corporation and its workmen are shortly to expire and fresh negotiations will have to be undertaken. These negotiations will, no doubt, be influenced by my remarks while dealing with Part II of the Schedule. I do not feel unduly inhibited in giving an answer to this part of reference because Shri Pai has conceded that the Management of the Indian Airlines Corporation would be prepared to accept whatever suggestions I make in this regard and it was quite prepared to pay its workmen salaries similar to those which will be paid to the workmen of Air-India with some slight exceptions, e.g., with regard to overseas operations allowance and the ground staff located at places other than Delhi and Bombay.

372. In conclusion I cannot help observing that complaints are frequently heard of the slow and inefficient service rendered by the employees of IAC who, conscious of the privileges and the security conferred by the monopoly enjoyed by them, are prone to become slack and flabby in attending to their customers. In Air-India, on the other hand the incidence of competition and a strict management control keeps the employees, if I may use a colloquial expression, constantly on their toes so that the Air-India service efficiency is very much higher. If the workmen of IAC claim to be paid the same emoluments as their opposites in Air-India, they must shake themselves out of the lethargy of monopolistic smugness and strive to become more efficient.

373. This disposes of all the matters which were specifically referred to this Tribunal. Four other matters were raised before me during the course of the proceedings on behalf of Party No. 3. These matters were referred to the Ministry of Labour and Employment, and the party was directed to raise them before the Tribunal. It was claimed that the members of this party should be given:

- (i) upkeep allowance,
- (ii) graduate allowance,

- (iii) cash allowance, and
- (iv) rifle allowance.

374. I have already disposed of the last two items *viz.*, cash allowance and rifle allowance, and have given my reasons for rejecting these two demands.

375. With regard to the other two also, there is very little substance in the demand. The salaries paid by Air-India are adequate and the ground upon which upkeep allowance is sought is, that some workmen have to maintain clean uniforms and wear better clothes, and for this reason, they should be paid an **extra** allowance.

376. With regard to graduate allowance, the submission made was that wherever an employee has a higher educational qualifications, he should be paid a higher salary.

377. I see no justification for granting these two allowances and reject them.

CHAPTER VIII

Conclusions

I am now sum up and restate my award on the various items.

Item No.

1. Scales and grades of pay.

The pay scales will be as follows:—

Grade No.	Pay Scale	Designation
1.	Rs. 100—5—150	Assistant Cook Canteen Vendor Chowkidar Watchman Cleaner Female Worker (Canteen) Gardener Helper Handyman Kitchen Boy Loader Peon Sweeper
2.	Rs. 130—5—150—10—190	Cook Heads of Employees in Grade (I) above.
3.	Rs. 150—10—200—15—230	Dresser Driver Head Cook Loading Supervisor Printers' Assistant.

Grade No.	Pay Scale	Designation
4.	Rs. 150—10—200—15—245—20—345	Junior Canteen Assistant Junior Catering Assistant Junior Cargo Assistant Junior Clerk Junior Compounder Junior Comptist Junior Mails Assistant Junior Puncher Junior Telephone Operator Junior Teleprinter Operator Junior Time Keeper Junior Traffic Assistant Tracer Typist Typist/Clerk.
5.	Rs. 180—10—200—15—245—20—345	Junior Printer Junior Progress Clerk Junior Storekeeper.
6.	Rs. 200—15—245—20—345	Senior/Head Driver.
7.	Rs. 230—15—245—20—385—25—435	Yard Supervisor.
	Rs. 200—15—245—20—385—25—510	Mukadam Carpenter Tailor Mason Plumber Mechanic (Cabin Service).
9.	Rs. 245—20—385—25—510	Electrician (Plant) Bench Fitters (Plant & Stores) Mechanics (Plant, Air-Conditioning & Teleprinter) Turners Non-licensed Welders Machinist Miller Painter (Plant, Transport & Stores) Tinsmith (Plant & Transport) Blacksmith Senior Progress Clerk.

Grade No.	Pay Scale	Designation
10.	Rs. 230—15—245—20—385—25—510	Briefing Assistant Junior Artist Ramp Supervisor Senior Catering Assistant Senior Cargo Assistant Senior Clerk Senior Clearing Clerk Senior Compounder Senior Comptist Junior Livestock Attendant Junior Security Assistant Senior Mails Assistant Senior Telephone Operator Senior Teleprinter Operator Senior Puncher Senior Time Keeper Senior Traffic Assistant Stock Verifier Supervisor-cum-Clerk Transport Assistant.
11.	Rs. 245—20—385—25—535	Senior Printer Senior Storekeeper.
12.	Rs. 230—15—245—20—385—25—560	Stenographer.
13.	Rs. 265—20—385—25—535	Cashier Draughtsman.
14.	Rs. 285—20—385—25—560	Asstt. Cabin Supervisor Asstt. Transport Supervisor Senior Canteen Assistant Senior Livestock Attendant Chief Catering Assistant Chief Cargo Assistant Chief Customs Clerk Chief Grain Shop Clerk Chief Printer Chief Telephone Operator Chief Teleprinter Operator Chief Traffic Assistant Librarian Office Assistant Section Storekeeper Senior Security Assistant Technical Assistant.
15.	Rs. 410—25—510	Receptionist.

Grade No.	Pay Scale	Designation
16.	Rs. 325—20—385—25—560—40—600 .	Leading Hand Teleprinter Technicians Radio Technician Gr. Works Supervisor 7 Welders with 2 licences.
17.	Rs. 385—25—535	Assistant Flight Purser.
18.	Rs. 410—25—560—40—720	Assistant Artist Assistant Security Officer Catering Officer Dispensary Supervisor Filing Supervisor Gardening Supervisor Incharge-Puncher Personal Assistant/Secretary Production Assistant Progress Supervisor Senior Draftsman Supervisor Telephones Teleprinter Supervisor Assistant Security-cum-Fire Brigade Officer Supervisor Communications.
19.	Rs. 410—25—560—40—720—50—770 .	Chargehand Examiner Transport Foreman Works Inspector.
20.	Rs. 485—25—560—40—720—50—770 .	Air Hostess Assistant Chief Air Hostess.
21.	Rs. 400—25—450—50—800 (Agreemen	A.M.E. Gr. III Junior Simulator Maintenance Engineer. Junior Technical Officer Radio A.M.E. III/Junior Radio Inspector.
22.	Rs. 460—25—560—40—720—50—870 .	Chief Artist. Chief Time Keeper Junior Accountant Junior Officer Section Officer Planner Security Inspector.
23.	Rs. 485—25—560—40—720—50—870 .	Flight Purser Senior Check Purser Assistant Chief Flight Purser.

Grade No.	Pay Scale	Designation
24.	Rs. 750—50—1000—100—1200 (Agreement)	A.M.E. Gr. II Radio A.M.E. Gr. II Technical Officer
25.	Rs. 1000—100—1500 (Agreement)	A.M.E. Gr. I Radio A.M.E. Gr. I Senior Technical Officer.
26.	Rs. 1270—50—1320—60—500—100—1700	Navigator Flight Engineer.
27.	Rs. 1200—100—1700 (Agreement)	Senior Inspector Assistant Superintendent.
28.	Rs. 1050—100—1650 (Agreement)	Captain (First Officer).
29.	Rs. 1500—100—2000 (Agreement)	Senior Captain (Commander).

Item No.

2. Fixation in the new pay scales.

Each worker will be fixed in the new scales according to the number of years of his service except in cases of Parties 4 and 5 which will be governed by the terms of their respective agreements with the Corporation.

3. 4-Weekly rates of payment of grade pay.

Demand rejected.

4. Dearness Allowance.

The rates of dearness allowance will be as follows except in the case of Parties 4 and 5 which will get D.A. according to the terms of their agreements with the Corporation.

Basic Pay	Dearness Allowance
From 100 to 149	65
From 150 to 199	70
From 200 to 299	75
From 300 to 399	80
From 400 to 499	85
From 500 to 649	90
From 650 to 899	95
From 900 and onwards	100

5. House rent allowance/conditions governing allotment of accommodation.

Demand rejected.

*Item No.**6. Duty allowance.*

Demand rejected.

7. Machine allowance.

Demand rejected.

8. Transport/car/conveyance allowance.

Demand rejected except for the demand of party No. 5 who will receive a conveyance allowance as follows*:

	Rs.
Assistant Superintendent	100
Aircraft Maintenance Engineer, Gr. I	} 50
Aircraft Radio Maintenance Engineer Grade I	
Aircraft Maintenance Engineer	} 50
Aircraft Radio Maintenance Engineer Grade II	

9. Overtime payment

Demand rejected.

10. Working on schedule "off day"/holidays.

Members of the clerical and administrative staff will be compensated by payment of 25% of the hourly rate of their basic pay in addition to the substituted "off day". The other demands are rejected.

11. Jet/hazard allowance for ground staff.

Demand rejected.

12. Shift allowance.

Demand rejected except that Assistant Superintendents in the Maintenance Division of the Engineering Department who are regularly rostered in shifts will be paid a compensatory allowance of Rs. 150/- per month in lieu of Shift Allowance*.

13. Licence Allowance.

Demand rejected except that in the case of Party No. 5 Technical Pay at the rates specified below will be payable to the employees.

Assistant Superintendents	Rs. 250/- p.m.
Aircraft Maintenance Engineer, Gr. I/Aircraft Radio Maintenance Engineer, Gr. I	Rs. 200/- p.m.
Aircraft Maintenance Engineer, Gr. II/Aircraft Radio Maintenance Engineer, Gr. II	Rs. 100/- p.m.

Aircraft Maintenance Engineering Gr. II/Aircraft Radio Maintenance Engineer, Gr. II will also be granted a qualification pay of Rs. 100/- per month if they possess or acquire additional qualification as prescribed under the agreement*.

14. Heavy duty vehicle allowance.

Workmen in the lowest category will be entitled to a driving allowance of Re. 1/- per working day provided they are in possession of a

driving licence for heavy vehicles and are required to drive the Corporation's heavy vehicles for the work of the Corporation. The remaining demand is rejected.

Item No.

15. *Jet allowance (cabin attendants and flight crew).*

Jet allowance will be admissible at the following rates:—

Commanders	Rs. 1,000 per month	} †
First Officers	Rs. 600/- per month	
Flight Navigators† & Flight Engineers	Rs. 450/- per month.	
Cabin attendants	Rs. 50/- per month.	

16. *Overseas Operations Allowance.*

Demand rejected.

17. *Travelling allowance.*

Demand rejected.

18. *Excess flying pay/Excess duty allowance.*

Flying duty in excess of 50 hours a month to be paid at the following rates:—

Commanders	Rs. 50/- per flying hour	}
First Officers	Rs. 35/- per flyidg hour	
Flight Navigators	Rs. 25/-	Do.
Flight Engineers.	Rs. 25/-	Do.
Flight Purser	Rs. 10/-	Do.
Asstt. Flight Purser and Air Hostess	Rs. 7-50	Do.

19. *Efficiency Bonus.*

Efficiency Bonus will be payable at the following rates†:—

Senior Captains and Captains	Rs. 200/- p.m.
Flight Navigators & Flight Engineers	Rs. 100/- p.m.
Demand of Party No. 2	Rejected.

Party No. 5 dropped their demand

20. *Insurance Coverage.*

Demand rejected except that—

- (1) Drivers will be entitled to compensation if acquitted by courts of breach of Motor Vehicles Act; and
- (2) Aircraft Maintenance Engineers, will according to their agreement, be provided with insurance coverage of Rs. 35,000/- when flying as a member of supernumerary crew*.

Item No.

21. *Provident Fund.*

Air India will make a contribution enqual to the contribution made by the employee subject to a maximum of 8 1/3% of the pay and dearness allowance except in the case of Party No. 5 who will be governed by the terms of their agreement and in whose case the Technical Pay and Qualification Pay where admissible will be treated as pay for the purpose of Air India Employees' Provident Fund Regulations.*

22. *Flight duty time and flight time limitations and rest periods.*

Pilots, Flight Navigators and Flight Engineers will all be governed by the rules set out in the agreement of July 26, 1965 between the Pilots and the Corporation which broadly are:—

Flight time limitation will be fixed at 9 hours and flight duty time at 12 hours. No members of the operating crew will be made to fly for more than 2 consecutive nights. The periodic flight time limitations will be—

- (a) 35 hours for 7 consecutive days,
- (b) 50 hours for 15 consecutive days,
- (c) 80 hours for 30 consecutive days, and
- (d) 800 hours for one calendar year.

With regard to rest periods, en-route if a flight cannot be concluded within the agreed flight time duty limitations, the Commander will declare the lay-over at an en-route station to ensure 8 hours of clear rest before continuing to fly to the destination or the designated crew change station. The routes with regard to rest periods, at crew change and terminal station other than base and at base will be same as prescribed for pilots in the above-mentioned agreement. The rest facilities on aircraft for relief crew and the rules regarding the transhipment will also be the same.

23. *Leave Facilities.*

Privilege leave may be accumulated up to a period of 120 days. All members of the flight crew will be entitled to equal treatment under Regulation 24A. Leave earned but refused to a workman during the service of the workman comes to an end either on retirement or resignation or disability. The remaining demands are rejected except in case of Party No. 5* in whose case if an employee who is granted disability leave for 90 days under the existing provisions is declared medically unfit to resume duties, he may be granted at the discretion of the General Manager an extension of such Disability Leave for a further period not exceeding 274 days which shall be on half basic pay plus dearness allowance.

24. *Standard force (cabin attendants and flight crew).*

Demands rejected except that the Corporation will consult the workmen concerned before determining the quantum of standard force in the various categories.

25. *Compensation for death or injury (relating to cabin attendants and flight crew).*

Matter disposed of under Item No. 20—Insurance Coverage.

Item No.

26. *Compensation for loss or damage to baggage of cabin attendants and flight crew.*

Benefits conceded by the Corporation to the Pilots in the agreement with them will apply to all members of the crew and cabin attendants viz., they will be compensated up to a maximum of Rs. 1,000 for loss or damage to their baggage and their claim will be settled within a period of 3 months. They will also be entitled to advance of £20 to buy clothing and other toilet items in case the loss is discovered at an outstation†.

27. *Passage regulations.*

Demand rejected.

28. *Washing allowance.*

Demand rejected except that the pay limit has been extended to correspond with the new scales.

29. *Accommodation layover allowance at layover stations.*

The layover allowance would be as follows:—

	All places except New York & Moscow	New York	Moscow
Commanders† . . .	£4—0—0	\$14	N. Rbs. 12·00
Co-Pilots† . . . }	£3—10—0	\$13	N. Rbs. 11·00
Flight Navigators . . . }			
Flight Engineers . . . }			
Cabin attendants . . . }			

30. *Medical benefits/facilities.*

The Corporation should in consultation with the workmen prepare a contributory health scheme to cover the cases of those employees who do not come within the scope of Employees' State Insurance Act†.

31. *Retirement age*

Demand rejected.

32. *Foreign allowance.*

Demand rejected except for Commanders for whom the rate will be increased to Rs. 1,000†.

33. *Senior Check Pursers' Instructional allowance.*

Demand rejected.

34. *Outstation allowance.*

The rates of daily outstation allowance will be as follows:—

Commander	£ 5—0—0	} †
Co-Pilot	£ 4—10—0	
Flight Navigators and Flight Engineers	£ 4—0—0	

No change in the case of cabin attendants.

*Item No.***35. Resettlement allowance.**

Demand rejected.

36. Children allowance.

Demand rejected.

37. Driving allowance.

Demand rejected.

38. Hours of work.

Demand rejected.

39. Promotion.

Demand rejected.

40. Gratuity.

Gratuity will be payable at the rate of one month's basic pay of every completed year of service subject to a maximum of 15 months basic pay or Rs. 30,000 whichever is less. The scheme will be effective from 1st April, 1962.

41. Command Pay (Senior Captains).

Senior Captains will receive a command pay of Rs. 300/- p.m.†.

42. 2nd Class Navigators' licence allowance.

Demand rejected except for pilots who will continue to receive the allowance of Rs. 100/- for holding Navigators' Licences in accordance with their agreement†.

43. Radio/Telephone allowance.

Demand rejected except for pilots who will receive an allowance of Rs. 200/- p.m. for holding a flight radio telephone operator's licence†.

44. Check Pilots' allowance.

Check pilots will receive an allowance of Rs. 200/- per month with effect from 1st January, 1965†.

45. Night Flying allowance.

Demand rejected.

46. Retirement benefits/alternative employment of medically unfit flight crew.

The terms of the agreement arrived at between the Pilots and the Corporation will apply to the Flight Navigators, and cabin attendants *mutatis mutandis*, viz.†.

- (i) those found medically unfit for flying duties with suitable ground jobs until they attain the age of superannuation, their salary being fixed at not less than 75% of their last drawn basic pay.

- (ii) alternatively, they can opt for an annuity payable at 60% of their last drawn basic pay until they attain the age of 55.

Flight Engineers will similarly be covered by the agreement between them and the Corporation.

Item No.

47. Travel on duty.

Demand rejected except in the case of pilots, who when travelling as "staff on duty" will be provided with a definite passenger seat†.

48. Flight Engineer Instructors' allowance.

Demand rejected.

49. Check allowance for check flight engineers.

Check Flight Engineers will be paid a special allowance of Rs. 100 per month.

50. Salary for cadet flight engineers.

Cadet Flight Engineers will receive a total salary of Rs. 750/- inclusive of Rs. 95/- dearness allowance.

51. Special Travelling allowance.

Demand rejected except for Commanders and Co-Pilots who will get £2-10-0 and 1-15-0 respectively while on flying duties for each completed period of 24 hours spent away from their permanent/temporary place of posting†.

52. Emoluments of Check Navigators.

Check Navigators will be paid an allowance of Rs. 100/- per month.

53. Endorsement allowance (Aircraft Maintenance Engineers).

Demand of Party No. 2 rejected. Party No. 5 dropped their demand.

54. Meal allowance.

When an employee is required to be away from his normal place of work on duty during the period of lunch, dinner, breakfast, he will be paid the meal allowance despite the fact that he is in receipt of overtime allowance or holiday compensation for the same period.

55. Secondary increments.

Demand rejected except that the pay limit has been extended to correspond with the new scales.

56. Date of Implementation.

This award shall become enforceable from the date of its publication under Section 17 of the Industrial Disputes Act, 1947, subject to the following exceptions:—

- (i) The Gratuity Scheme will be effective from April 1, 1962, for all parties.
- (ii) The pay scales and dearness allowance for Parties 2, 3, 6 and 7 will be effective from July 25, 1964.

- (iii) In the case of Parties 4 and 5, the dates prescribed for the implementation of the various items in their respective agreements shall apply.
- (iv) In the case of such of the items which have been conceded by this award, on the analogy of the treatment accorded to Party No. 4, the date of implementation would be the same as prescribed for that party *viz.*:

Item No. 15—Jet allowance (cabin attendants and flight crew)—Parties 2, 6 and 7 1-4-1964

Item No. 18—Excess flying pay/excess duty allowance—Parties 2, 6 and 7 1-1-1965

Item No. 19—Efficiency bonus —Parties 6 and 7 1-4-1964

Item No. 29—Accommodation layover allowance at layover stations — Parties 2, 6 and 7 1-3-1965

Item No. 34—Outstation allowance—Parties 6 and 7 1-3-1965

Item No. 49—Check allowance for check flight engineers— Party No. 7 . 1-1-1965

Item No. 52—Emoluments of check navigators—Party No. 6 . . . 1-1-1965

Item No.

57. *Interim relief.*

The matter was disposed of by my award dated February 1, 1965.

58. *PART II—Relationship between Air-India and Indian Airlines Corporation.*

There should be a parity or near parity between the workmen of the two Corporations with regard to comparable categories of workmen performing similar functions.

59. *Additional items raised during the course of the proceedings.*

(i) *Upkeep allowance*

Demand rejected.

(ii) *Graduate allowance.*

Demand rejected.

(iii) *Cash allowance and Rifle allowance.*

Demand already rejected under item 11.

60. *Costs.*

Demand rejected.

In the above summary wherever I have used the expression 'demand rejected' it should be interpreted as meaning that the state of affairs prevailing at the time the present reference was made will continue.

* As per agreement dated 15-10-65 between the Corporation and Party No. 5.

† As per agreement dated 26-7-65 between the Corporation and Party No. 4.

CHAPTER IX

Costs

The only point which remains to be decided is the question of costs. Parties 2, 3 and 7 have put in claims for costs to be allowed to the unions for the expenses incurred by them in these proceedings. I enquired from Air-India whether the Management had provided any facilities to the unions for conducting their case before the Tribunal. I am informed (and this is admitted by the Unions) that the Management released three office-bearers of each of the Parties 2 and 3 to attend the hearings, and three members of the staff were made available to each party for rendering clerical and typing assistance. With regard to Party No. 7, two members were relieved of their duties to enable them to attend the hearings of the case and two of their members were not scheduled for flying duties during the course of the hearings. Parties 4, 5 and 6 have not made any claim for costs.

2. With regard to the case of Parties 2 and 3, I have already stated that the demands as originally made in the charter by Party No. 2 were grossly inflated in the Statement of Claims. The demands made by them were out of all proportion to what has been ultimately awarded by the Tribunal on a just and fair basis. An objection was raised at the very outset of the proceedings to the legality of the reference. This objection was found to be groundless and rejected. It seems to me that Parties 2 and 3 have conducted these proceedings in a manner which did not promote a speedy conciliation between the parties. Party No. 7 also made very exaggerated demands and having regard to all the circumstances of the case. I consider that no case is made out for awarding costs to any of the parties.

CHAPTER X

Acknowledgments

Before I take leave of this matter, I should like to express my sincere thanks for the courtesy shown by Shri Salim M. Merchant, Presiding Officer of the Central Government Industrial Tribunal, Bombay, in placing his chamber and his court room at my disposal whenever it was required. He did this at some inconvenience to himself at times and I am deeply obliged to him for the consideration shown.

2. I must also express my appreciation of the assistance given to me by Counsel for all parties throughout these proceedings. The lucid and able presentation of their respective cases were of the greatest help to me in understanding the complexities of this dispute.

3. I should also like to place on record my appreciation of the excellent work done by Shri A. L. Handa, Secretary to the Tribunal. His extensive knowledge of industrial disputes, his unfailing courtesy and hard work, and his administrative ability, were of inestimable value to me in the conduct of these proceedings and the preparation of my award.

4. I was very ably and competently assisted by the staff attached to the Tribunal and they gave me unstinted assistance wherever it was required.

G. D. KHOSLA,
Presiding Officer,
National Industrial Tribunal,
(Air-India dispute).

NEW DELHI;
Dated, January 28, 1966.

Appendix I
MINISTRY OF LABOUR & EMPLOYMENT
NOTIFICATION

New Delhi, the 15th February, 1965.

S.O. 651.—In pursuance of Section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the National Industrial Tribunal, New Delhi in the industrial dispute between the Air India and their workmen which was received by the Central Government on the 3rd February, 1965.

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL
 NEW DELHI.

[Reference No. NIT-1 of 1964].

PARTIES :

Employers in relation to Messrs Air India, Bombay,
 and
 Their Workmen

PRESENT :

Shri G. D. Khosla,
 Presiding Officer.

APPEARANCES :

On behalf of Employers Shri S. D. Vimadala, Bar-at-Law,
 with
 Shri S. K. Wadia, Solicitor,
 Shri A.S. Banavalikar,
 Personnel Manager, and
 Shri S.N. Roy Chowdhury,
 Establishment Officer, Air India.

On behalf of Workmen (i) Shri D. H. Buch, Advocate,
 with
 Shri George Clement, Regional Secretary, Air Cor-
 porations Employees' Union.

(ii) Shri K.K. Singhvi, Advocate,
 with
 Shri K. T. Laxmanan, and
 Shri P. G. Karkhanis,
 Air India Employees' Union.

(iii) Shri C. L. Dudhia, Bar-at-Law,
 with
 Captain Narendra, General Secretary, Indian Pilots' Guild.

(iv) Shri P. D. Kamerkar, Advocate,
 with
 Shri K.R.N. Swami, and
 Shri A. C. Sen, All India Aircraft Engineers' Association.

(v) Shri P. D. Kamerkar, Advocate,
 with
 Shri S. N. Bajpai and
 Shri L. B. Bhatia, Indian Flight Navigators' Guild.

(vi) Shri C. L. Dudhia, Bar-at-Law,
 with
 Shri D. H. Dallas, President and
 Shri A. K. Chakravarty, General Secretary, Indian Flight Engineers' Association.

Industry : Airlines.

Place : Bombay.

Dated at Bombay, the 15th January, 1965.

AWARD

The appointment of this Tribunal was notified by the Central Government, Ministry of Labour and Employment, by its notification S.O. 2560 on the 25th July, 1964. On the same day by notification S.O. 2561 an industrial dispute between the Management of Air India and their workmen was referred to the Tribunal for adjudication. The matters in dispute are set out in a schedule attached to the Notification and there are in all 57 items of dispute between the Management of Air India and their workmen and there is also an item relating to the relationship between the wage structure of Air India and the wage structure of the Indian Airlines with reference to comparative categories of workmen performing similar functions.

2. The parties to these proceedings are:

Party No. 1.—Air India Corporation, Bombay, to which it will be convenient to refer as the 'Corporation' or the 'Management' and

Their workmen which fall into six categories as follows:

Party No. 2.—Air Corporations Employees' Union, Bombay.

Party No. 3.—Air-India Employees' Union, Bombay.

Party No. 5.—All India Aircraft Engineers' Association, Bombay.

Party No. 6.—Indian Flight Navigators' Guild, Bombay, and

Party No. 7.—Indian Flight Engineers' Association, Bombay.

3. An application on behalf of Party No. 3 was made to this Tribunal that the demand relating to Interim Relief (item 57 in the Schedule attached to the Reference Order of the Government of India) may be heard and adjudicated immediately. This application was heard at Bombay on the 18th November, 1964 and orders were passed that more material and further details and evidence to substantiate the claim should be produced before this item could be adjudicated upon by the Tribunal. The parties were directed to file further material as had a bearing on the matter and to produce evidence in support thereof.

4. An application has now been made by the Air India, namely, Party No. 1 to these proceedings and the Air Corporations Employees' Union, namely, Party No. 2 praying that an agreement arrived at between them with regard to interim relief (item No. 57 in the schedule annexed to the order of reference) should be made an award of the Tribunal. Objection is taken to this application on behalf of Party No. 3, namely, the Air India Employees' Union.

5. The details of the agreement are set out in the copy of the agreement annexed hereto. Briefly by this agreement interim relief is sought to be given to employees of the Air India drawing a salary of less than Rs. 650/- per mensem.

6. Before the present dispute was referred to this Tribunal, the Air India gave some interim relief by Staff Notice No. 15/64-65, dated the 1st June, 1964. The relief then given had retrospective effect from 1st

January, 1964. Representations were made to the management by the Air Corporations Employees' Union subsequently and the agreement which is now before the Tribunal was arrived at and the present relief is proposed to be given with effect from 1st April, 1964.

7. Before coming to the objections raised on behalf of Party No. 3, it is necessary to state that interim relief is not a final determination of the salaries and wages which are considered adequate for employees of this category. This matter is *sub-judice* and will be finally determined when all the evidence of the parties has been taken and Counsel for parties have been heard. Interim relief in the very nature of things is a temporary relief which is given because some immediate relief is considered necessary. Such relief cannot in the very nature of things be finally adequate because the adequacy of relief is the very subject matter of inquiry. Another factor which must be noted is that the employees of the Air India are stationed at various places in India and the conditions prevailing in Bombay cannot be the sole criteria for determining the interim relief to which the employees are entitled. Therefore the analogy of employees of other industrial concerns in Bombay will not be very relevant.

8. The nature of the relief granted under this agreement may be gauged from the following brief table showing the basic salary, the present dearness allowance, interim relief under the Staff Notice of 1st June, 1964 and the relief now being given:

<i>Basic salary</i>	<i>Present Dearness Allowance</i>	<i>Interim Relief under Staff Notice of 1-6-1964</i>	<i>Present Relief</i>
53	75	30	34
63	78	30	36
75	83	30	37
100	93	30	38
120	98	30	38

It will therefore be seen that in every case the relief now given is substantially more than what was given by the Staff Notice of 1st June, 1964. The main argument raised on behalf of Party No. 3 by Mr. Singhvi who appeared on their behalf was that the relief which is now being given is extremely inadequate. I may mention here that Party No. 3 was not a party to the agreement although the members of this Union are employees drawing salaries under Rs. 650/- per mensem. Originally there was only one recognised union, namely, Party No. 2, which embraced all employees drawing a salary below Rs. 650/-. This Union was recognised in 1957. Subsequently it appears there was a split among the employees in September 1962, and Party No. 3 was formed. I am told, although no evidence was produced before me, that the membership of Party No. 2 is in the neighbourhood of 2800 whereas the membership of Party No. 3 is considerably less, being not more than a thousand. Be that it may the fact remains a large majority of workmen affected by this agreement are party to the agreement. Mr. Buch who appeared on behalf of Party No. 2 supported the agreement and prayed that it be made an award of the Tribunal.

9. Mr. Singhvi drew my attention to the case of two other industrial concerns, namely, the Firestone Tyre and Rubber Company Private Limited and the General Electric Company of India Private Limited. A reference to the dearness allowance determined by the Industrial Tribunal at Bombay on 7th November 1962, is contained in paragraphs 67 to 69 of the written statement filed by Party No. 3. Briefly speaking, Mr. Singhvi's contention is that the workmen of the Firestone Tyre and Rubber Company Private Limited were granted dearness allowance at the rate of 125 per cent of the salaries upto Rs. 100/-. There was a further provision that as the index of cost of living rose they would be entitled to an increase of 5 per cent of the basic salary for every 10 points. In the case of the General Electric Company of India the figures were even higher. The dearness allowance was determined at 145 per cent of the basic salary for all workmen drawing a salary upto Rs. 100/- per mensem and an increase of 5 per cent was to take effect for every ten-point rise in the cost of living index. I have already indicated that the wages fixed for other industrial concerns have very little relevance; also it must be repeated that we are at present considering interim relief and not a final determination of the workmen's wages. Even so we find that for the lower paid workmen interim relief now given under the agreement between Air-India and Party No. 2 is better than the relief given to the workmen of the Firestone Tyre and Rubber Company and General Electric Company. A workmen drawing a basic salary of Rs. 50/- was entitled to dearness allowance to the extent of Rs. 62.50 and an increase of Rs. 25/- on account of a rise of 100 points in the cost of living index. Thus his total dearness allowance came to Rs. 87.50. In the case of an Air-India employee drawing a salary of Rs. 53/- the dearness allowance under the agreement comes to Rs. 105/-. Similarly for a person drawing a salary of Rs. 60/- in Firestone Tyre and Rubber Company would get a dearness allowance of Rs. 105/- corresponding to the dearness allowance of Rs. 112/- given under the agreement under consideration. The dearness allowance payable to the workmen of General Electric Company of India is Rs. 97.50 for an employee drawing a salary of Rs. 50/- and Rs. 117/- for an employee drawing a salary of Rs. 60/-.

10. It is, therefore, seen that for the lower paid employees who need interim relief the most the agreement entered into between the Air-India and Party No. 2 is more beneficial than the award given by the Bombay Tribunal to the employees of the Firestone Tyre and Rubber Company and the General Electric Company. I am assuming that the figures with regard to the rise in cost of living given by Mr. Singhvi are correct. According to him the cost of living index in May 1960 was 421 whereas in November 1964 it is 543. There has, therefore, been an increase of 122 points. The Industrial Tribunal at Bombay determined the wages in November 1962 when the index of cost of living must have been higher than in 1960. I, therefore, find that if we look upon the benefits given under the agreement as nothing more than in the nature of a temporary and interim relief it cannot be said to be so wholly inadequate as to warrant rejection by this Tribunal. It must be remembered that a very large body of workmen affected by this agreement has consented to it and wishes the agreement to be made an award of the Tribunal.

11. Another point raised by Mr. Singhvi was that Air-India had made a very large profit in the year 1963-64 and that therefore greater relief to the workmen is justifiable. There is no doubt that the financial condition of an industry bears relation to the wages of its workmen.

But this is a matter which is *sub-judice* and under inquiry, and merely because the last balance-sheet of the Air-India Corporation shows a substantial profit there is scarcely justification for giving increased interim relief without regard to other matters which have even greater relevance to the question of wages than the profits earned by the Corporation.

12. Another point urged by Mr. Singhvi was that the agreement should have been made effective from 1st January, 1964 and not from 1st April, 1964. I have already pointed out in the earlier part of this award that a substantial relief was given to the workmen with effect from 1st January, 1964 under the Staff Notice of 1st June, 1964. The present relief which is slightly higher becomes effective from 1st April, 1964. I see no reason for holding that the date of 1st April, 1964 is in any way unjust or harsh to the workmen.

13. According to the written objections filed by Party No. 3 the mode of application of the agreement to temporary employees was unjust. This point was not raised before me except in passing and it seems to me that there is nothing invidious or unjust in the provision that the *ad hoc* increment payable under the agreement will also benefit temporary workmen provided they had completed one year's continuous service on 1st April, 1964. There can be no question of earning an increment in the normal way or as an *ad hoc* increase in salary unless the workman has served the management for a year which is the normal period for earning an increment.

14. I am therefore satisfied that the agreement which is before me provides adequate relief to workmen drawing salaries upto Rs. 650/- p.m. and since the majority of the workmen affected by it are party to the agreement and wish it to be made effective. I make an award in terms of the agreement and submit it to the Government.

15. In the circumstances of the case I make no order as to costs.

Sd./- G. D. KHOSLA,
Presiding Officer.

The 1st February, 1965.

BEFORE THE NATIONAL TRIBUNAL, NEW DELHI

(Ref. No. NIT-1 of 1964)

In the matter of the industrial dispute before the National Tribunal between Air-India and the workmen as represented by Air Corporations Employees Union, Bombay.

May it please your Lordship:

The parties named above respectfully submit as follows:—

By Staff Notice No. 15/64-65, dated June, 1, 1964, the Management of Air-India announced the grant of Interim Relief on the scale mentioned in Appendix A and the said Relief is being paid to the workmen drawing a basic pay upto Rs. 650/- per month covered by the above reference with retrospective effect from 1st January, 1964.

2. In view of the representation made to the Management by the Air Corporations Employees Union, which is a party representing workmen in the above said dispute, an agreement has been reached between the Management of Air-India and the Air Corporations Employees' Union that one *ad hoc* increment should be granted to the workmen represented by the said Union, on the following conditions:—

(i) Subject to what is stated herein below, one *ad hoc* increment in the existing scale of pay would be granted with effect from 1st April,

1964 to those workmen whose basic pay-scale does not exceed Rs. 650/- per month.

(ii) The said *ad hoc* increment would be added to the basic pay as on 1st April, 1964 in the existing grade of those workmen who are in the permanent service of the Corporation on the said date, at the rate at which his next immediate increment may be due, but where no such increment is due by reason of the fact that a workman has reached the maximum of his pay-scale, the said increment shall be paid to him as though it were a 'secondary increment' due within the meaning of Regulation 15B of the Air-India Employees' Service Regulations.

(iii) The *ad hoc* increment will also be payable to temporary workmen with effect from 1st April, 1964 provided they had completed one year's continuous service on that date. In the case of temporary workmen or probationers who had not completed one year's service but had been in continuous service on 1st January, 1964, the *ad hoc* increment will be payable to them with effect from the date of confirmation or on the completion of one year's service after 1st April, 1964 whichever is earlier.

(iv) In respect of the workmen drawing a basic pay of Rs. 101—120 as on 1st April, 1964 the interim relief will be Rs. 25/- on and from 1st April, 1964 instead of Rs. 20 + Rs. 10 special allowance sanctioned under Staff Notice No. 15/64-65, dated 1st June, 1964.

(v) It is further agreed that for the purpose of fixation of pay, if any, on the basis of the award to be made by the Honourable Tribunal, the existing pay of the employees will be taken as the pay which they would have drawn but for this agreement, i.e., without the addition of the *ad hoc* increment.

(vi) Any payment made as an *ad hoc* increment with accretion of dearness allowance thereto would be set off or adjusted against any monetary benefit which may be payable under the Award of the Honourable Tribunal or recovered in any other manner if no such monetary benefits are payable under the Honourable Tribunal's Award.

3. It is distinctly understood between the parties that the said *ad hoc* increment as above, shall be deemed to be an increase in Interim Relief in settlement of the demand made by the Air Corporations Employees' Union, under item No. 57 of paragraph 1 of the Schedule appended to the Government of India, Ministry of Labour and Employment's Order, dated 25th July, 1964, and the aforesaid demand of the said Union of Interim Relief shall no longer survive.

4. The parties pray for the orders of the Honourable Tribunal on this application, which may be passed as an Award on the dispute on item 57 of the Schedule.

For & on behalf of Air-India Corporation.

(Sd.)/- A. S. BANAVALIKAR,

Personnel Manager.

For & on behalf of Air Corporations Employees' Union.

(Sd.)/- G. CLEMENT,

Regional Secretary.

Witness: -

1. Sd./-.....

2. Sd./-.....

Dated: Bombay, the 30th December, 1964.

Appendix 'A'

Scale of Interim Relief payable under Staff Notice No. 15/64-65, dated 1st June, 1964.

Basic pay	Quantum of interim relief
Rs.	Rs.
50—	15.00
51—120	20 + 10
121—250	25
251—350	20
351—650	15

NOTE :—The interim relief payable to employees in the pay slab of Rs. 51—120 will be Rs. 20/- plus a Special Allowance of Rs. 10/-. This Special Allowance will be admissible with effect from 1-1-64 provided the employee has completed one year's service on that date. Those in service on 1-1-64 and have not completed one year's service will be eligible for this allowance with effect from the date of completion of one year of service. It will not be payable to those who entered service subsequent to 1-1-1964.

[No. 17/2/64/LRIV.]

O. P. TALWAR, Under Secy.

Appendix II

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL, NEW DELHI

(Ref No. NIT-1 of 1964)

In the matter of the Industrial disputes before the National Industrial Tribunal between Air-India and workmen as represented by the Indian Pilots' Guild, Bombay.

May it please your Lordship:

The Parties named above respectfully submit as follows:

In the agreement dated 22nd April 1960, reached with the Indian Pilots' Guild (Party No. 4) a provision was made regarding alternative employment for medically unfit Pilots, as indicated in Appendix 'A'.

2. In Section III of their Memorandum No. IPG/GM/M384, dated 20/29 April 1964, for revision of service conditions, the Indian Pilots' Guild made a demand relating to alternative employment of medically unfit Pilots. As a result of the negotiations held by the Management with Party No. 4 on the said demand, an Agreement in full and final settlement of the said demand has been reached as set out hereunder:

(1) All Pilots who are found medically unfit for flying duties may be provided suitable ground jobs in the Corporation until they attain the superannuation age, their consolidated salary being fixed at not less than 75 per cent of their last drawn Basic Pay. Such Pilots shall have opportunities for progress and/or for advancement in their ground jobs equal to those of other employees of the Corporation.

(2) Alternatively, such Pilots can opt, subject to the conditions mentioned below, for an annuity payable at 60 per cent of their last drawn Basic Pay until they attain the age of 55.

(a) No annuity will be admissible if the total service of the Pilot in the Corporation immediately prior to being declared medically unfit does not exceed five years.

- (b) The annuity shall be payable until he attains the age of 55 or the date of death, whichever is earlier.
- (c) The annuity will be paid monthly on normal salary disbursement day.
- (d) The payment of annuity or the appointment to a ground job will commence from the date of disablement due to personal injury, illness, disease or disability of the Pilot which prevents him from attending to his occupation as a Pilot as declared by the Medical Board and as such taken off his flying duties by the Medical Board but only after he has exhausted all his casual leave, sick leave, privilege leave and special sick leave standing to his credit.

(3) Notwithstanding the provisions of Clauses (1) and (2) above, a Pilot will not be entitled to the benefits contained therein if he is declared medically unfit for flying duties as a direct or indirect result of:

- (a) Intentional self-injury,
- (b) Attempted suicide,
- (c) Provoked assault,
- (d) Venereal disease, or
- (e) Chronic alcoholism or habitual taking of narcotic drugs.

(4) A Pilot, after being granted benefits under Clause (1) or (2) of this Agreement, in the event of regaining his medical fitness as certified by the Medical Board, shall re-offer his service as a Pilot to the Corporation who will then reinstate him in the grade and seniority held by him prior to his disablement. The payment of annuity to him will cease from the date he is so re-employed by the Corporation. Similarly, a medically unfit Pilot who becomes medically fit again will not be entitled to the annuity if he accepts a flying job outside the Corporation.

(5) It is further distinctly understood between the Parties that this Agreement is in full and final settlement of the demand made by the Indian Pilots' Guild (Party No. 4) under Item 46 of paragraph 1 of the Schedule appended to the Government of India, Ministry of Labour and Employment Order No. S.O. 2561, dated 25th July 1964, and the aforesaid demand of the said Guild for Retirement Benefits/Alternative Employment for medically unfit flight crew shall no longer survive.

3. The Parties pray for the orders of the Hon'ble Tribunal on this application which may be passed as an Award on this dispute under Item 46 of the Schedule.

For and on behalf of Air-India Corporation,

(Sd.) A. S. BANAVLIKAR,

Personnel Manager.

For and on behalf of Indian Pilots' Guild,

(Sd.) Capt. NARENDRA,

General Secretary.

Witness:

(1) (Sd.) V. D. Moorthi, Ops., Air-India.

(2) (Sd.) P. M. Thakur, Persl. Air-India.

Dated: Bombay, the 24th May 1965.

Appendix III

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL, NEW DELHI

(Ref: No. NIT-1 of 1964)

In the matter of the Industrial disputes before the National Industrial Tribunal between Air-India and workmen as represented by the Indian Flight Engineers' Association, Bombay.

May it please your Lordship:

The parties named above respectfully submit as follows:

In the Agreement dated 12th July 1960, reached with the Indian Flight Engineers' Association (Party No. 7) a provision was made regarding alternative employment for medically unfit Flight Engineers, as indicated in Appendix 'A'.

2. In Section IV of their memorandum contained in their letter No. IFEA/AI/64154, dated 6th April 1964, for revision of service conditions, the Indian Flight Engineers' Association made a demand relating to alternative employment of medically unfit Flight Engineers. As a result of the negotiations held by the Management with Party No. 7 on the said demand, an Agreement in full and final settlement of the said demand has been reached as set out hereunder:

(1) All Flight Engineers who are found medically unfit for flying duties may be provided with suitable ground jobs in the Corporation until they attain the superannuation age, their consolidated salary being fixed at not less than 75 per cent of their last drawn Basic Pay. Such Flight Engineers shall have opportunities for progress and/or for advancement in their ground jobs equal to those of other employees of the Corporation.

(2) Alternatively, such Flight Engineers can opt, subject to the conditions mentioned below, for an annuity payable at 60 per cent of their last drawn Basic Pay until they attain the age of 55.

(a) No annuity will be admissible if the total service of the Flight Engineer in the Corporation immediately prior to being declared medically unfit does not exceed five years.

(b) The annuity shall be payable until he attains the age of 55 or the date of death, whichever is earlier.

(b) The annuity will be paid monthly on normal salary disbursement day.

(d) The payment of annuity or the appointment to a ground job will commence from the date of disablement due to personal injury, illness, disease or disability of the Flight Engineer which prevents him from attending to his occupation as a Flight Engineer as declared by the Medical Board and as such taken off his flying duties by the Medical Board but only after he has exhausted all his casual leave, sick leave, privilege leave and special sick leave standing to his credit.

(3) Notwithstanding the provisions of Clauses (1) and (2) above, a Flight Engineer will not be entitled to the benefits contained therein if he is declared medically unfit for flying duties as a direct or indirect result of:

(a) International self-injury,

- (b) Attempted suicide,
- (c) Provoked assault,
- (d) Venereal disease, or
- (e) Chronic alcoholism or habitual taking of narcotic drugs.

(4) A Flight Engineer, after being granted benefits under Clause (1) or (2) of this Agreement, in the event of regaining his medical fitness as certified by the Medical Board, shall re-offer his services as a Flight Engineer to the Corporation who will then reinstate him in the grade and seniority held by him prior to his disablement. The payment of annuity to him will cease from the date he is so re-employed by the Corporation. Similarly, a medically unfit Flight Engineer who becomes medically fit again will not be entitled to the annuity if he accepts a flying job outside the Corporation.

(5) It is further distinctly understood between the Parties that this Agreement is in full and final settlement of the demand made by the Indian Flight Engineers' Association (Party No. 7) under Item 46 of paragraph 1 of the Schedule appended to the Government of India, Ministry of Labour and Employment's Order No. S.O. 2561, dated 25th July 1964, and the aforesaid demand of the said Association for Retirement Benefits/Alternative Employment for medically unfit Flight Crew shall no longer survive.

3. The Parties pray for the orders of the Honourable Tribunal on this application, which may be passed as an Award on the dispute under item 46 of the Schedule.

For and on behalf of Air-India Corporation

(Sd.) A. S. BANAVALIKAR,

Personnel Manager.

For and on behalf of Indian Flight Engineers' Association,

(Sd.) A. K. CHAKRAVARTY,

General Secretary.

Witness:

(1) (Sd.) V. D. Moorthi, OPS, Air-India.

(2) (Sd.) S. V. Lalla, Flight Engineer.

Dated: Bombay, the 29th May 1965.

Appendix 'A'

Provisions regarding alternative employment for medically unfit, Flight Engineers as contained in the Agreement, dated 12th July 1960 reached with the Indian Flight Engineers' Association.

"Whilst the Corporation cannot guarantee alternative employment to medically unfit Flight Engineers, every effort will be made to accommodate such Flight Engineers in alternative posts on ground subject to vacancies being available, length of service, suitability and service record of the Flight Engineers concerned.

The selected candidate will be given training in the ground post before arriving at any assessment regarding his suitability."

Appendix IV

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL, NEW DELHI

(Ref. No. NIT-1 of 1964)

In the matter of the Industrial dispute before the National Industrial Tribunal between Air-India and the workmen as represented by the Indian Pilots' Guild (Party No. 4).

May it please your Lordship:

The parties named above respectfully submit as follows:—

In their Memorandum No. IPG/GM/N284, dated 20/29th April, 1964, the Indian Pilots' Guild (Party No. 4) made a number of demands relating to wages and other service conditions, out of which the items specified below have been referred to this Hon'ble Tribunal for adjudication as per Schedule appended to the Government of India, Ministry of Labour and Employment order No. S.O. 2561, dated 25th July 1964.

Without prejudice to the submissions of the respective parties to this Hon'ble Tribunal on the said items, the representatives of the Management and the Guild (Party No. 4) have, in the meantime, carried on negotiations on all the demands, including the items referred to herein, and as a result of the negotiations so held between the Management and Party No. 4, an Agreement, in full and final settlement of the said demands, including the items specified in the Schedule referred to above, has been reached.

The Agreement so reached between the Management and party No. 4 on the items before this Hon'ble Tribunal, are set out hereunder:—

Agreement on items in the Schedule to Order No. S.O. 2561 dated 25-7-1964 issued by the Ministry of Labour and Employment, Government of India.

Item 1—Scales and grades of pay

- (i) Senior Captain (Commander) Rs. 1,500—100—2,000.
- (ii) Captain (Co-pilot/First Officer) Rs. 1,050—100—1,650.

Item 2—Fixation in the new pay scales

- (a) The basic pay of a pilot shall be fixed in the scales referred to above, with effect from 1-4-1964, after adding one increment to his basic pay as on that day.
- (b) In the case of a pilot who has reached the maximum in the existing scale of pay, the next increment in the revised scale will become due on completion of one year's service from the date of fixation.
- (c) In the case of a pilot who had not reached the maximum of the existing scale of pay prior to 1-4-1964, the date of his next increment in the revised scale of pay will be on the due date of increment in the existing scale of pay.
- (d) When a co-pilot is promoted as Commander, his basic pay in that scale will normally be fixed at the next higher stage with reference to his pay in the co-pilot's scale. If the stage so

arrived at exceeds the pay of the junior-most Commander (i.e. Commander drawing the lowest salary), then his basic pay will be fixed at the same figure as the pay of the junior-most Commander.

Illustration:—If a Co-pilot is drawing a basic pay of Rs. 1650, his pay on promotion will be fixed at Rs. 1,700. But if the junior-most Commander is drawing a basic pay of Rs. 1,600, his pay on promotion will be restricted to Rs. 1,600.

Item 4—Dearness Allowance:

The dearness allowance shall be payable according to the following scale:—

Basic pay plus efficiency bonus and command pay (where applicable) on which D.A. is payable. Rs.	Dearness Allowance Rs.
1150	232
1250	242
1350	252
1450	262
1550	272
1650	282
1750	292
1800	297
1850 and above	300

Item 5—House Rent Allowance/conditions governing allotment of accommodation:

Dropped.

Item 15—Jet Allowance:

Pilots operating Boeing 707 type of aircraft shall be eligible for the following additional allowance effective 1st April 1964:—

Commanders	Rs. 1,000 per month
First Officers	Rs. 600 per month

Item 16—Overseas Operation Allowance:

Senior Captain	Rs. 400 per month
Captain	Rs. 275 per month

Item 18—Excess Flying Pay:

Flying duty in excess of 50 hours in a month will, with effect from 1st January 1965, be paid for at the following rates:—

Commanders	Rs. 50/- per flying hour
First Officers	Rs. 35/- per flying hour

Item 19—Efficiency Bonus:

It is agreed that an efficiency bonus of Rs. 200 per month will be paid to Senior Captains and Captains from 1st April 1964, subject to the condition that only half of this efficiency bonus will be liable to be withheld in accordance with the Schedule of Pay Scales and Allowances under Regulation 13 of Air-India Employees' Service Regulations.

Item 21—Provident Fund:

The benefits of provident fund will be as per Award of the National Industrial Tribunal.

*Item 22—Flight Duty Time, Flight Time and Rest Periods for Pilots:**(a) Definitions:*

(i) *Flight duty time:* The total time commencing from the time of reporting at the airport and ending with the termination of a flight or a series of flights (chocks on plus 15 minutes), unless broken by a period of rest as stipulated in para e(ii) hereunder:—

(ii) *Flight Time:* The total time from the moment an aircraft first taxies out under its own power for the purpose of take-off to the moment it comes to rest at the end of the flight. Flight time is synonymous with "Block to Block Time" or "Chock to Chock Time".

(iii) *Total hours of duty:* The period during which a pilot is performing any function assigned by the Corporation.

(iv) *Rest Period:* The period during which a pilot is not assigned any function by the Corporation.

(v) *Clear Rest:* The period commencing from the time a room is allotted for occupation at the hotel upto the call time, which would normally be one hour before pick-up time.

(vi) *Layover:* The period spent between "chocks on" and "chocks off" at an outstation.

(vii) *Standby Crew:* A pilot who is required to standby during a specified period, fully prepared and ready to undertake a flight when called upon.

(viii) *Crew Base.*—A place where a pilot is posted either on a temporary or permanent basis. The word "Base" used signifies "Crew Base".

(ix) *Crew Change Station.*—Where a layover or scheduled change of crew takes place.

(b) Limitations:

Flight Times:	9 hours (scheduled)
Flight Duty Time:	12 hours

(i) Flight duty time beyond 12 hours can be increased en route by 2 hours at the discretion of the Commander, provided he is fully satisfied that such action is not likely to jeopardise the safety of the operation.

(ii) Once the flight has commenced, the flight duty time will be the only governing factor even though the flight time may exceed due to adverse winds, diversions, etc.

NOTE:

(i) For any charter flight a realistic schedule will be made calculated on headwind factor. Such schedule will not be less than the time shown in the time-table of other airlines operating the route with similar aircraft.

(ii) In case of delayed departure on flights, the pilots of the flights and standby pilots will be informed at about pick-up time/standby time of such delay to enable them to utilise the delay towards their rest. If the Pilots concerned are not so informed at about the pick-up time, the flight duty time of the said pilot will be deemed to have commenced from the normal reporting time of the flight.

(c) *Night Flying:*

No pilot will be made to fly for more than two consecutive nights (in local time).

(d) *Periodical Flight Time Limitations:*

(i) 7 consecutive days	35 hours
15 consecutive days	50 hours
30 consecutive days	80 hours
One Calendar year	800 hours
(ii) Total hours of duty :	
30 consecutive days	200 hours

NOTE : The limitation of 200 hours per calendar month shall take into account the time spent in travelling as a passenger or purpose of positioning.

(e) *Rest Periods:*

(i) *Rest period en route.*—If a flight cannot be concluded within the agreed flight duty time limitations, the commander will declare a lay-over at an en route station to ensure 8 hours of “clear rest”, before continuing the flight to the destination or the designated crew change Station.

(ii) *Rest Period at crew change and terminal station other than base:*—

Flight Duty time	Minimum rest period for normal flight	Minimum rest period for delayed flights.
	(Clear Rest)	(Clear Rest)
6 hours or less	10 hours	8 hours
Above 6 hours and upto 11 hours	12 hours	10 hours
Above 11 hours and upto 12 hours	16 hours	12 hours

NOTE.—(1) In case of flight duty time exceeding 12 hours, rest period will be 20 hours clear rest.

(2) In the case of delayed flights, where the rest period availed of is less than the minimum for normal flights laid down above, the layover allowance and the special travelling allowance will be paid as if the minimum normal rest period shown was availed of.

(3) In the case of flights over the Atlantic, which are rerouted, the layover period will be counted from 'chocks on' at the first point of call on the continent of North America.

(iii) (a) If 8 hours of "clear rest" in accordance with para e(i) above is availed of en route, these 8 hours shall be deducted from the total flight duty time calculated from the time of reporting at the first point of duty to "chocks on" at destination, and the rest period at crew change station/destination shall be in accordance with para e(ii) above.

(b) If, however, as a result of engineering or any other reasons, the clear rest period at an en route station is 20 hours or more, the flight will be deemed to have commenced afresh from that station for the purpose of calculating flight duty time and flight time.

(f) *Rest/Time off period at base*

(i) The minimum rest/time off period, after return from a flight, will be equal to half the number of hours spent away from the base on that flight plus 24 hours subject to a minimum of one calendar day or 36 hours, whichever is more. Where the rest period/time off due at base is one calendar day or 36 hours whichever is more and where such flights arrive (chocks on) at base between 2344 and 2359 hours (local time), the rest period/time off at base will be restricted to 36 hours only.

During the minimum rest/time off period, a pilot cannot be called upon to perform any duty whatsoever and there will be no restriction on his movements.

But, in case where exigencies of operation demand, the rest/time off period at base may be reduced to 24 hours provided that the pilot is so informed at the time of debriefing. However, in case of a pilot returning from a long flight involving more than 3 days' absence from base, the rest/time off period can be reduced to the said 24 hours under the said circumstances provided the duration of his subsequent flight so scheduled will not exceed 3 days from base. The unexpired portion of the rest/time off period shall be added to the next rest/time off period at base.

(ii) Further, in case of following flights, a minimum of 12 hours clear rest will be given to a Pilot:—

- (a) Domestic (within India) flights involving 6 hours or less flight time;
- (b) A sector or sectors of international flights within India involving 6 hours or less flight time; and
- (c) Any other sector flights which involve less than 6 hours of flight duty time and less than 24 hours away from base.

A pilot will not be scheduled to do more than two such consecutive flights, after which the normal stipulated rest period at base will apply.

(iii) A pilot who is scheduled to undertake a flight or is "Standby" will not be called upon to undertake any other duties 12 hours prior to the "reporting time" of the flight.

(iv) On all postings, a temporary or permanent, and on return from such postings, a Pilot will be given a minimum rest period of 24 hours from the time of his arrival; however, on assignments for local flight training, the minimum rest period will be 14 hours after arrival.

(g) *Rest Facilities on Aircraft for relief Crew:*

In the event of a Pilot at an outstation being unable to undertake a flight and a relief being required to proceed to that station in order to operate that flight immediately on arrival, facilities for horizontal rest or first class seat will be provided to the relief pilot.

(h) *Transshipment:*

Crew scheduling will be planned in such a manner that transshipment of crew from one station to another will be avoided as far as possible. Transshipment by other carriers, when necessary, will be as far as possible, by I.A.T.A. member carrier using multi-engined modern aircraft. This period will be counted towards total hours of duty.

Item 23—Leave facilities:

As at present, which are contained in the Service Regulations.

Item 24—Standard Force:

It is agreed that the standard force of Administrative posts in the Operations Department of the Corporation and of pilots in the rank of Commanders and Co-pilots shall be furnished to the Guild once in each financial year. The Guild will be consulted in this matter before such figures are furnished.

Item 25—Compensation for death or injury:

As at present, which are contained in the relevant Establishment Orders read with Regulation 31 of Service Regulations.

Item 26—Compensation for loss/or damages to baggage of pilots:

It is agreed that pilots will be compensated upto a maximum of Rs. 1,000/- for loss of or damage to their baggage. Such claims will be settled within a period of three months. In case the loss of such baggage is discovered at an outstation, the pilot will be advanced £ 20/- to buy the requisite necessities. The disposal of the articles so bought shall be in accordance with the existing procedure.

Item 27—Passage Regulations:

It is agreed that passage regulations will be as decided by the National Industrial Tribunal.

Item 29—Accommodation and layover allowance at layover stations:

(a) It is agreed that outside India the accommodation will be on bed and breakfast basis and the layover allowance outside India applicable to pilots for a layover of over 16 hours and upto 24 hours shall, with effect from 1st March, 1965, be the equivalent of the following amounts in local currency in all layover stations except New York and Moscow:—

Commanders	£ 4-0-0
Co-Pilots	£ 3-10-0

The rates of layover allowance applicable to New York and Moscow shall be as follows:—

	Commanders	Co-Pilots
New York	\$14.00	\$13.00
Moscow	N. Rbs. 12.00	N. Rbs. 11.00

(b) Rates for fractional periods of 4 to 8 hours, 8 to 16 hours and 16 to 24 hours will be 60 per cent, 80 per cent and 100 per cent respectively of the applicable rates.

(c) No layover allowance will be payable as at present for a layover not exceeding 4 hours. However, where the layover exceeds 24 hours, layover allowance at the lowest fractional rate (i.e., for 4 hours to 8 hours) will be payable even when the period of layover in excess of 24 hours is less than 4 hours.

Item 30—Medical benefits/facilities:

It is agreed that the present medical benefits to pilots will continue. Further, the Management has agreed in principle to evolve in consultation with the Guild, at any early date, a contributory scheme, for extending a prescribed amount of medical facilities to the family of a pilot.

Item 31—Retirement Age:

It is agreed that the retirement age of pilots will be as per Award of the National Industrial Tribunal.

Item 32—Foreign Allowance:

It is agreed that the basic rate of foreign allowance admissible to a Commander on permanent transfer to a place outside India, Pakistan and Ceylon will be increased to Rs. 1000/- per month effective 1st March 1965.

Item 34—Outstation Allowance:

(a) It is agreed that the daily outstation allowance admissible on temporary posting of a pilot to a place outside India, Pakistan and Ceylon, will, with effect from 1st March 1965, be as follows:—

Commander	£ 5-0-0
Co-Pilot	£ 4-10-0

This allowance will be payable throughout the period of temporary posting.

(b) Existing rates of daily outstation allowance for Moscow will remain unchanged.

Item 40—Gratuity:

It is agreed that gratuity benefits will be as per Award of the National Industrial Tribunal.

Item 41—Command Pay (Sr. Captain):

Command pay of Rs. 300/- per month shall be payable to Senior Captains with effect from 1st April 1964.

Item 42—Second Class Navigator's Licence Allowance:

An allowance of Rs. 100/- per month shall continue to be payable to pilots holding Navigator's Licences.

Item 43—Radio Telephone Allowance:

Effective 1st April 1964 an allowance of Rs. 200/- shall be payable to pilots holding Flight Radio Telephone Operator's Licences.

Item 44—Chock Pilot's Allowance:

An allowance of Rs. 200/- per month shall be payable from 1st January 1965 to Senior Captains who are designated as Chock Pilots.

Item 45—Night Flying Allowance:

Dropped.

Item 46—Retirement benefits/alternative employment for medically unfit pilots:

This is a matter of separate settlement dated 24th May, 1965 which has been jointly submitted to this Hon'ble Tribunal.

Item 47—Travel on duty:

A Pilot travelling as "Staff on Duty" will be provided with a definite passenger seat.

Item 51—Special Travelling Allowance:

It is agreed that the rates of special travelling allowance admissible to pilots while on flying duties for each completed period of 24 hours spent away from his permanent/temporary place of posting shall, with effect from 1st April 1964, be as follows:—

Commanders	£ 2-10-0
Co-Pilots	£ 1-15-0

In calculating the completed periods of 24 hours in a calendar month, the fraction of a completed period will be rounded up as follows:—

Less than 12 hours	Nil
12 hours or more	One completed period of 24 hours.

Item 56—Date of implementation:

It is agreed that except to the extent provided under items 1, 2, 15, 18, 19, 29, 32, 34, 41, 43, 44 and 51, this agreement will have no retrospective effect.

Further, this Agreement, which has been reached in full and final settlement of all the demands contained in the Indian Pilots' Guild's (Party No. 4) Memorandum No. IPG/GM/N/284 dated 20th/29th April, 1964, including the item Nos. 1, 2, 4, 5, 15, 16, 18, 19, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 34, 40, 41, 42, 43, 44, 45; 46; 47; 51; 56 and 57; as enumerated under Part I of the Schedule appended to Order No. SO/2560 dated 25th July, 1964, will remain in force for a period of three years from the date of publication of the Award to be made by this Hon'ble Tribunal.

The Parties pray for the order of the Hon'ble Tribunal on this application, which may be passed as Award of the disputes under various items of the Schedule indicated above.

For and on behalf of Air India Corporation.

(Sd.) A. S. BANAVAIKAR,
Personnel Manager.

For and on behalf of Indian Pilots Guild.

(Sd.) CAPT. NARENDRA,
General Secretary.

WITNESS:

(1) (Sd.) D. H. Dallas, F/E, AI.

(2) (Sd.) S. N. Roy Chowdhury, P.O. (Ops.), AI.

Dated, Bombay, the 26th July, 1965.

Appendix V

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL, NEW DELHI

In the matter of a reference under sub-section (1A) of Section 10 of the Industrial Disputes Act, 1947 (14 of 1947)

(Reference No. NIT-1 of 1964)

PARTIES:

Employers in relation to Messrs Air India, 87, Mahatma Gandhi Road, Bombay

and

Their workmen as represented by All India Aircraft Engineers' Association, Bombay.

PRESENT:

Shri G. D. Khosla, Presiding Officer.

*Appearances at Bombay**For the Employers:*

Shri Sohrab D. Vimadlal, Bar-at-Law, with Shri S. K. Wadia, Solicitor and Shri A. S. Banavalikar, Personnel Manager.

For the Workmen:

Shri P. D. Kamerkar with Shri K. R. N. Swami of the All India Aircraft Engineers' Association.

ORDER No. 20

There are two applications before me which raise a preliminary point. The first application has been made jointly by Air-India and the All India Aircraft Engineers' Association. The Parties have jointly requested an adjudication by the Tribunal upon the question whether Assistant Superintendents in the Engineering Department are "workmen" within the meaning of the Industrial Disputes Act. The second application is made by the All India Aircraft Engineers' Association and in this, a similar prayer has been made with regard to the status of Assistant Superintendents and Deputy Superintendents. Since it was necessary to decide the point to enable the Parties to proceed further in the negotiations which have been undertaken, I agreed to hear these petitions as a preliminary matter. The question for my decision is whether Assistant Superintendents and Deputy Superintendents in the Engineering Department of Air India are "workmen".

2. The Parties were given an opportunity to produce oral and documentary evidence, before Counsel addressed the Court. Affidavits were filed by both the Parties. The Union filed the Affidavit of Mr. V. S. Bhagat, Assistant Superintendent in the Maintenance Division of the Engineering Department of the Corporation and the Management filed the Affidavit of Mr. M. P. Kharkar, Deputy Superintendent in the Maintenance Division of the Engineering Department. Both the deponents were orally examined and cross-examined at considerable length with regard to the nature of the duties which Assistant Superintendents and Deputy Superintendents have to perform. Counsel then addressed me and referred to a number of reported decisions bearing upon the matter.

3. There is no doubt at all that both the Assistant Superintendents and Deputy Superintendents are called upon to do work of a highly technical

nature. Nearly all of them (one exception was mentioned during the course of the evidence) are qualified Aircraft Engineers, they have had special training and have gained experience in dealing with the various aspects of aircraft maintenance. The personnel of the Maintenance Division consists of the following categories:

- (a) Superintendents,
- (b) Deputy Superintendents,
- (c) Assistant Superintendents, and
- (d) Aircraft Maintenance Engineers of Grades I, II and III.

There is no dispute that Aircraft Maintenance Engineers of all three grades are "workmen" within the meaning of the Industrial Disputes Act because they have to work with their own hands. Nor has it been questioned at this stage that the Superintendent exercises duties of a mainly supervisory nature and, therefore, is not a "workman".

4. The pay scale of the Assistant Superintendents was fixed by an agreement entered into between the Air-India International and the All India Aircraft Engineers' Association which became effective on July 2, 1960. According to the pay scale, the basic salary is Rs. 1,000—100—1,500 together with Dearness Allowance rising from Rs. 217 for the minimum salary of the scale to Rs. 267 for the maximum. There is in addition a car allowance of Rs. 100. Thus, the grade of the Assistant Superintendent may be taken to be Rs. 1317—1867. The pay scale of the Deputy Superintendent is Rs. 1200—100—1800 together with Dearness Allowance varying from Rs. 237 to Rs. 297. I understand that there is also a car allowance of Rs. 100 paid to Deputy Superintendents. Thus the Deputy Superintendent's salary varies from Rs. 1537 to Rs. 2197.

5. The present definition of a workman according to Section 2 of the Industrial Disputes Act is as follows:

"'Workman' means any person (including an apprentice) employed in any industry to do any skilled or unskilled manual, supervisory, technical or clerical work for hire or reward, whether the terms of employment be expressed or implied, and for the purposes of any proceeding under this Act in relation to an industrial dispute, includes any such persons who has been dismissed, discharged or retrenched in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person—

- (i) who is subject to the Army Act, 1950 (XLVI of 1950) or the Air Force Act, 1950 (XLV of 1950) or the Navy (Discipline) Act, 1934 (XXXIV of 1934); or
- (ii) who is employed in the police service or as an officer or other employee of a prison; or
- (iii) who is employed mainly in a managerial or administrative capacity; or
- (iv) who, being employed in a supervisory capacity, draws wages exceeding five hundred rupees per mensem or exercises, either by the nature of the duties attached to the office or by reason of the powers vested in him, functions mainly of a managerial nature."

The definition was amended by Act 36 of 1956. The original definition was as follows:—

“‘workman’ means any person employed (including an apprentice) in any industry to do any skilled or unskilled, manual or clerical work for hire or reward and includes, for the purpose of any proceedings under this Act in relation to an industrial dispute, a workman discharged during that dispute but does not include any person employed in the nával, military or air service of the Government.”

It will thus be seen that the definition of the workman has been considerably extended and it now includes a person who works in a supervisory capacity provided his salary does not exceed Rs. 500 or who works in a technical capacity irrespective of the salary paid to him. The contention of the Union is that Assistant Superintendents and Deputy Superintendents, do technical work. Some part of their duty is, no doubt, supervisory but the supervisory work is un-important and ancillary to their main work which is technical, and that being so, they must be held to be “workmen” even though their salaries exceed Rs. 500 because they are not really supervisory personnel. An additional argument was raised on behalf of the Union to the effect that even if these officials are held not to be “workmen”, their cause may be taken up by the Union because their terms of employment have a close relationship with other members of the Union who are clearly “workmen”. My attention was drawn to the definition of an industrial dispute which extends beyond “workmen” to cover the case of “any person”.

6. It is quite clear that in deciding whether a certain individual is or is not a “workman”, his designation is not important. What is important is the nature of the duties which he performs. It was, therefore, argued that although an Assistant Superintendent according to his nomenclature may be expected to superintend and supervise, in point of fact, he does far more, and indeed, the substantial part of his duties is not supervisory but technical. He has to work with his own hands and he has to perform a number of jobs which are clearly not supervisory. My attention was also drawn to the fact that in the agreement—to which I have already made a reference—the Management conceded that Assistant Superintendents were “workmen” because the agreement covered their case. On the other hand, Deputy Superintendents, Superintendents and high officials were not included in this agreement.

7. Before dealing with the actual nature of the duties performed, I may dispose of one or two cases which were cited in the course of the arguments of Counsel. There are two cases relating to Doctors. One case arose in 1955 [1955-LLJ-(II-1)] out of an order of the Governor of Uttar Pradesh which enjoined that if certain employees had not yet been granted holidays on certain festivals, the factory employing them was to pay one day's additional wages in lieu of and for each day's holiday not so allowed. A question arose whether the medical practitioner and compounder employed by the factory came within the purview of this order. It was held by the Allahabad High Court that a Doctor could not be said to be a “workman” because his main work was to observe the patient, to hear his complaints, to diagnose the disease with the experience and knowledge at his command and then to prescribe medicine which he considered best for the patient. Similarly, a compounder was held not to be a “workman”. The Court, therefore, quashed the order of the Governor of Uttar Pradesh in so far as it related to the doctor and compounder.

8. In 1955, there was another case [1955-LLJ (II)-602] in which the status of a doctor was considered. It was held that the Assistant Medical Officer in charge of a hospital attached to the Tea Estate was not a "workman" within the meaning of the Industrial Disputes Act.

9. In 1955, it was held that an Assistant Engineer working as a Shift Engineer and having control over the other workmen working under him must be held to be not a "workman" [1955-LLJ (I)-418]. All the above noted decisions were made under the old definition of the "workman" when the amendment relating to a technical worker had not yet extended the definition of a "workman".

10. A case more in point is a decision of the First Labour Court of West Bengal reported in 1958-LLJ (II)-556. The Labour Court held that an Aircraft Maintenance Engineer employed by the Aircraft Company was not a "workman" because his duty was to inspect the aircraft and aero-engines before the flight and issue Certificate of Airworthiness. The two Engineers, whose case was considered by the Labour Court, were held to be performing duties of a supervisory nature. The manual work which they had to do must be held to be only incidental or ancillary to their main supervisory duty. It is not, however, clear if the work performed by the engineer in that case can be equated with the work of an Assistant Superintendent of the Maintenance Division of the Engineering Department of Air India.

11. Coming now to the nature of duties performed by the Assistant Superintendents, a reference to the two Affidavits shows that an Assistant Superintendent is in charge of a shift consisting of AMEs and Mechanics. He allots jobs for the next shift. But he has not only to ensure that the work entrusted to his subordinates is carried out, he is personally responsible for the Airworthiness of the aircraft upon which the work has been done. He has to sign a certificate to this effect. Possessing more experience than the persons who work in the shift under him, he may be said to be performing to some extent duties of a supervisory nature. He cannot, however, hold himself aloof and merely watch the work of AMEs and Mechanics. He has to make decisions himself and satisfy himself that the aircraft airworthy. He has to carry out a spot inspection of portions of the aircraft or engines. He has to examine the snag sheets and see that the snags are removed. This is what Mr. Bhagat said in answer to a Court question:—

"I would go and see if anything is required by way of work and if anything is left behind, I go to help out. If there are any technical problems—if there are such things as snag reports which have to be actioned, I would speak about it to the person concerned whether to change this item or inspect this part or adjust it. If there are any defects during inspection which may require my direct attention, I would first look into them to see whether they are of a serious nature."

He went on to say that if on seeing a flight report he thought it necessary to run the engine on the ground to see if it was working well, he would do so himself and not entrust the job to some-one else.

12. Answering another question, he said that an Asstt. Superintendent may have to carry out some sort of a minor check on the aircraft and he may have to go round the aircraft to see if anything was wrong. If any technical problem arose, he would have to solve it either himself or in consultation with his superior. In the course of a transit check, an Assistant Superintendent would check for himself whether any of the controls

had sustained a damage. Cross-examined, Mr. Bhagat stated that an Assistant Superintendent may be called upon to sit on Promotion or Selection Committee or may even be entrusted with a technical enquiry. This alone, however, would not alter the nature of his work and make it supervisory because a technical man may be asked to assess the technical merit of candidates for employment and he may be asked to report on some technical problem irrespective of whether he is a supervisor or a workman.

13. On behalf of the Corporation, the points stressed were that an Assistant Superintendent is in charge of a shift and does not do much work with his own hands. He must, therefore, be considered to be performing mainly supervisory duties. Mr. Kharkar, Deputy Superintendent, who was examined by the Corporation, did not deny that an Assistant Superintendent is expected to do spot checks.

14. To me it seems that on, at least, two previous occasions it has been conceded that Assistant Superintendents perform functions which are not mainly supervisory and that they must be deemed to be performing technical duties which bring them within the definition of "workmen". The duties of an Assistant Superintendent of Air-India are similar and analogous to those performed by the Assistant Superintendent in the Indian Airlines Corporation. The duties of the Assistant Superintendents in the Indian Airlines Corporation were assessed by Mr. Justice Bind Basni Prasad, sitting as President of the National Industrial Tribunal, Lucknow. He came to the conclusion that AMEs of grades 12 to 15 in the Indian Airlines Corporation perform work of a technical nature. "They perform no work of administrative or supervisory character as Engineers in grade 16 or above do. The fact that they are assisted by mechanics in carrying out some of their duties does not render their work as one of supervisory nature". Grades 12 to 15 include Assistant Superintendents which fall under grade 15. This decision of Mr. Justice Bind Basni Prasad, stands unchallenged and if Assistant Superintendents in the Indian Airlines Corporation are considered "workmen", then it may be said with considerable force that Assistant Superintendents in the Air-India should also be deemed "workmen" and not persons who perform mainly supervisory or administrative duties. I have already mentioned the tacit admission made by Air-India when they entered into an agreement with the All India Aircraft Engineers' Association whereby the pay scales of Senior Inspectors and Assistant Superintendents were fixed. No satisfactory argument against this has been advanced and although this agreement cannot operate as estoppel, it does go to show that on a previous occasion the Corporation did not object to the Assistant Superintendents being treated as "workmen" and negotiating with them on that basis. Superintendents and Engineers of a higher category are not covered by that agreement. But even apart from the decision of Mr. Justice Bind Basni Prasad and the tacit admission of Air India, I am satisfied that an Assistant Superintendent performs duties which are of a technical nature and he is required to perform certain functions with his own hands whenever the necessity arises. His main work is not supervisory which connotes watching, overlooking, directing. The dictionary meaning of a supervisor as given in the Shorter Oxford Dictionary is "a person who exercises general direction of control over a business, a body of workmen etc. one who inspects and directs the work of others". This seems to preclude the actual performance of the work by the supervisor. Assistant Superintendents do perform certain functions manually as part of their normal duties. The case of Assistant Superintendents, therefore, appears to be sufficiently clear and they must

be regard as "workmen" within the meaning of the industrial Disputes Act.

15. The case of Deputy Superintendents, however, is totally different. They do not work on the spot. It is not part of their duties to do actual work on the aircraft. Though in emergency their advice as experts might be sought, their work mainly is of an administrative character and may also be said, to some extent, supervisory. Although they are technical men in the sense that they possess high technical qualifications, they cannot be deemed "workmen" performing technical duties.

16. The only other point which needs consideration is whether the Association can claim the right to represent the case of Deputy Superintendents and bring the dispute within the ambit of the Industrial Disputes Act. The Counsel for the Association placed reliance on a decision of the Supreme Court in the Dimakuchi Tea Estate Case [1953-LLJ-(1)-500]. This judgement contained the following observation:

- (i) The dispute must be a real dispute between the parties to the dispute (as indicated in the first two parts of the definition clause) so as to be capable of settlement or adjudication by one party to the dispute giving necessary relief to the other, and
- (ii) The person regarding whom the dispute is raised must be one in whose employment, non-employment, terms of employment or conditions of labour (as the case may be) the parties to the dispute have a direct or substantial interest.

Applying these limitations to the case of a doctor whose claim was sponsored by the union the Supreme Court held that the appellants had no direct or substantial interest in his employment or non-employment and the termination of his service could not be construed as an industrial dispute.

17. The Counsel for Air India drew my attention to the other observations in the same judgement—

"Can it be said that workmen as a class are directly or substantially interested in the employment, non-employment, terms of employment or conditions of labour of persons who belong to the supervisory staff and/or under provisions of the Act, non-workmen on whom the Act has conferred no benefit, who cannot by themselves be parties to an industrial dispute and for whose representation the Act makes no particular provision? We venture to think that the answer must be in the negative."

which further support the argument against persons working in supervisory capacity being entitled to the benefit of the Industrial Disputes Act.

18. I may also refer to another judgement of the Supreme Court in Civil Appeal No. 4 of 1965 of the All India Reserve Bank Employees' Association and Another Vs. The Reserve Bank of India and another in which the Supreme Court considered the availability of the provisions of the Industrial Disputes Act for the benefit of supervisory staff drawing a salary of more than Rs. 500 per month. The matter had come up before the National Industrial Tribunal (Bank Dispute) presided over by Kantilal T. Desai, J. who had held that Class II employees of the Reserve Bank who were employed in a supervisory capacity were not entitled to have their claims considered under the provisions of the

Industrial Disputes Act. I may quote the following observation of Desai, J., from his award:

"I hold that even though by reason of the community of interest the workmen may be entitled, having regard to the definition of the expression 'industrial dispute', to raise a dispute in connection with the terms of employment of themselves when they become non-workmen by reason of their wages exceeding the limit of Rs. 500 it is not open to the Central Government to refer an industrial dispute concerning the scales of pay applicable to non-workman or the remuneration payable to a non-workman to a National Tribunal for adjudication".

19. The matter was taken to the Supreme Court and the decision of Desai, J. was affirmed. The Supreme Court referred to its previous decision in the Dimakuchi Tea Estate Case and considered whether a dispute which is connected with the employment or non-employment or the terms of employment or with the conditions of labour of any person can be given a wide enough meaning to cover the cases of members of the supervisory staff. The Court came to the conclusion that those working in a supervisory capacity and drawing more than Rs. 500 per mensem were not entitled to the benefit of the Industrial Disputes Act. This places the matter beyond all doubt and I therefore hold that the case of the Deputy Superintendents cannot be taken up by the All India Aircraft Engineers' Association.

20 To sum up, Assistant Superintendents must be considered workmen while Deputy Superintendents will not be considered workmen nor can their case be taken up by the All-India Aircraft Engineers' Association.

BOMBAY;

(Sd.) G. D. KHOSLA.

June 29, 1965.

Appendix VI

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL, NEW DELHI.

(Ref. No. NIT-1 of 1964)

In the matter of the Industrial Dispute before the National Industrial Tribunal between Air-India and the workmen as represented by the All India Aircraft Engineers' Association (Party No. 5).

May it please your Lordship:

The parties named above respectfully submit as follows:—

In their Memorandum No. AIAEA/CD/1, dated 24th July 1963, the All India Aircraft Engineers' Association (Party No. 5) made a number of demands relating to wages and other service conditions, out of which the items specified below have been referred to this Hon'ble Tribunal for adjudication as per Schedule appended to the Government of India, Ministry of Labour and Employment Order No. S.O. 2561, dated 25th July 1964.

Without prejudice to the submission of the respective parties to this Hon'ble Tribunal on the said items, the representatives of the Management and the Association (Party No. 5) have, in the meantime, carried on negotiations on all the demands, including the items referred to herein and as a result of the negotiations so held between the Management and Party No. 5 an Agreement, in full and final settlement of the said

demands including the items specified in the Schedule referred to above, has been reached.

The Agreement so reached between the Management and Party No. 5 on the items before the Hon'ble Tribunal is set out hereunder:—

Agreement on items in the Schedule to Order No. S.O. 2561, dated 25th July 1964 issued by the Ministry of Labour and Employment, Government of India.

Item 1: Scales and Grades of Pay.

(i) Assistant Superintendent	Rs. 1200—100—1700
(ii) Aircraft Maintenance Engineer, Gr. I/Aircraft Radio Maintenance Engineer, Gr. I	Rs. 1000—100—1500
(iii) Aircraft Maintenance Engineer, Gr. II/Aircraft Radio Maintenance Engineer, Gr. II	Rs. 750—50—1000—100—1200
(iv) Aircraft Maintenance Engineer, Gr. III/Aircraft Radio Maintenance Engineer, Gr. III	Rs. 400—25—450—50—800

Item No. 2—Fixation in the new scales of pay

(i) It is agreed that the pay of an employee shall be fixed in the scales referred to in item 1 with effect from 1st April 1964 after adding one increment in the revised scale to his basic pay on that date. If after the addition of one increment, the basic pay is less than the minimum of the revised scale, the pay will be fixed at the minimum of the revised scale.

(ii) Except in cases where the pay is fixed at the minimum of the revised grade, the existing date of increment of the employee will remain unchanged. In cases in which the pay is fixed at the minimum, the date of next increment will be one year from the date of fixation.

(iii) In case of an employee, who has reached the maximum in the existing scale of pay on 1st April 1964, his next increment will be one year from the date of fixation.

Item No. 4—Dearness Allowance

Dearness allowance shall be payable according to the following scale:—

Basic Pay	D.A.	Basic Pay	D.A.
Rs.	Rs.	Rs.	Rs.
400	157	950	211
425	162	1000	217
450	166	1100	227
500	175	1200	237
550	181	1300	247
600	187	1400	257
800	192	1500	267
850	198	1600	277
900	205	1700	287

NOTE. —The D.A. for stages above Rs. 600 and below Rs. 800 will be the same as for Rs. 600.

Item No. 8—Transport/Car/Conveyance Allowance.

Conveyance Allowance shall be payable to the employees at the following rates:—

Assistant Superintendent	Rs. 100
Aircraft Maintenance Engineer, Gr. I/Aircraft Radio Maintenance Engineer, Gr. I	Rs. 50
Aircraft Maintenance Engineer, Gr. II/Aircraft Radio Maintenance Engineer, Gr. II	Rs. 50

Item No. 12—Shift Allowance

There will be no change in the existing provisions on the subject. It is, however, agreed that Assistant Superintendents in the Maintenance Division of the Engineering Department who are regularly rostered in shifts will be paid a compensatory allowance of Rs. 150 per month in lieu of Shift Allowance

Item No. 13—Licence Allowance

The demands made for qualification pay, and endorsement allowance are dropped. It is, however, agreed that Technical Pay at the rates specified below will be payable to the employees:—

Assistant Superintendents	Rs. 250 per month
Aircraft Maintenance Engineer, Gr. I/Aircraft Radio Maintenance Engineer, Gr. I	Rs. 200 „ „
Aircraft Maintenance Engineer, Gr. II/ Aircraft Radio Maintenance Engineer, Gr. II	Rs. 100 „ „

Aircraft Maintenance Engineer Gr. II/Aircraft Radio Maintenance Engineer, Gr. II will be granted a qualification pay of Rs. 100 per month if they possess or acquire additional qualification as prescribed in the Annexure to this application.

Item No. 20—Insurance Coverage

(a) It is agreed that if an Aircraft Maintenance Engineer is required to travel on duty as a supernumerary crew, he will be provided with an insurance cover of Rs. 35,000 against death by accident while flying as a member of such crew apart from the compensation admissible to him under the existing rules.

(b) Compensation for ground risks will be in accordance with the award of the N.I.T.

Item No. 21—Provident Fund

It is agreed that the Technical Pay and Qualification Pay where admissible will be treated as pay for the purpose of Air-India Employees' Provident Fund Regulations

Item No. 23—Leave Facilities

It is agreed that if an employee who is granted disability leave for 90 days under the existing provisions is declared medically unfit to resume duties, he may be granted at the discretion of the General Manager an extension of such Disability Leave for a further period not exceeding 274 days which shall be on half basic pay plus half dearness allowance.

Item No. 27—Passage Regulations

The demand is left for decision by the N.I.T.

Item No. 30—Medical Benefits/Facilities

It is agreed that the present medical benefits to the Aircraft Maintenance Engineers will continue. Further, the Management has agreed in principle to evolve in consultation with the Association, at an early date, a contributory scheme, for extending a prescribed amount of medical facilities to the family of an Aircraft Maintenance Engineer.

Item No. 31—Retirement Age.

This demand is left for decision by the N.I.T.

Item No. 38—Hours of work.

The working hours and minimum rest period between working periods are left for decision by the N.I.T.

Item No. 40—Gratuity.

Gratuity will be as per award of the N.I.T.

Item No. 53—Endorsement Allowance

This is covered by the Agreement on item No. 13.

Item No. 56—Date of Implementation.

(i) It is agreed that scales of pay in item 1, and the other emoluments in items 4, 8 and 13 will have effect from 1st April 1964.

(ii) The recalculation of shift allowance, overtime allowance, Sunday allowance, settling down allowance, clothing allowance, meal allowance or recoveries of house rent for occupation of staff quarters, which are related to basic pay shall, notwithstanding the change in the basic pay with effect from 1st April 1964 be made and adjusted only with effect from 1st January 1965. There will be no retrospective calculation of outstation/halting allowance or readjustment of such allowance for any period consequent upon the change in basic pay under this Agreement.

(iii) Except as provided under (i) and (ii) above, this Agreement will not have any retrospective effect.

Except to the extent provided under the Agreement, and in consideration of the other terms of this Agreement, the demands under the following items are dropped:

Item No. 5 House Rent Allowance/conditions governing allotment of accommodation.

Item No. 9 Overtime payment.

Item No. 10 Working on scheduled 'off' day/holidays.

Item No. 11 Jet/Hazard Allowance for ground staff.

Item No. 13 Licence Allowance.

Item No. 17 Travelling Allowance.

Item No. 19 Efficiency Bonus.

Item No. 23 Leave facilities.

Item No. 34 Outstation Allowance.

Item No. 35 Resettlement Allowance.

Item No. 39 Promotion.

Item No. 54 Meal Allowance.

Item No. 55 Secondary Increment.

Further, this Agreement which has been reached in full and final settlement of all the demands contained in the All India Aircraft Engineers' Association's (Party No. 5) Memorandum No. AIAEA/CD/1, dated 24th July, 1963 including the item Nos. 1, 2, 4, 5, 8, 9, 10, 11, 12, 13, 17, 19, 20, 21, 23, 27, 30, 31, 34, 35, 38, 39, 40, 47, 53, 54, 55 and 56 as enumerated in Part I of the Schedule appended to the Government of India, Ministry of Labour and Employment Order No. S.O. 2560, dated 25th July 1964, will remain in force for a period of three years from the date of publication of the Award to be made by the Hon'ble Tribunal.

The parties pray for the orders of the Hon'ble Tribunal on this application which may be passed as an Award on the disputes under various items of the Schedule indicated above.

For and on behalf of the Air India
Corporation.

(Sd.) A. S. BANAVALIKAR,
Personal Manager.

For and on behalf of the All India
Aircraft Engineers' Association.

(Sd.) K. R. N. SWAMY,
Secretary.

Witness:

(1) (Sd.) V. S. Bhagat.

(2) (Sd.) P. M. Thakur.

Dated, Bombay the 15th October, 1965.

ANNEXURE

Aircraft Maintenance Engineer IIs/Aircraft Radio Maintenance Engineer IIs in possession of the following additional qualification/approval will be granted a qualification pay of Rs. 100/- per month.

MAINTENANCE:

1. 'C' Licence on aircraft used on Corporation's scheduled services for engineers holding 'A' Licence.
2. 'A' Licence on aircraft used on Corporation's scheduled services for engineers holding 'C' Licence.

NOTE:—Licences on 1049 Aircraft will be included in the two cases referred to above.

3. Approval for servicing instrument and electrical systems on aircraft used on Corporation's scheduled services for engineers holding 'X' licence on electrical equipment.
4. Approval for servicing instrument and electrical systems on aircraft used on Corporation's scheduled services for engineers holding 'X' Licence on instruments.
5. ARME 'B' Licence on 1049 or 707 Aircraft for engineers holding ARME 'A' Licence.

OVERHAUL SHOPS

6. *Electrical Overhaul Section.*—Approval to certify item/items overhauled in the Section and which are not covered by his AME licence.

7. *Instrument Overhaul Section*.—Approval to certify item/items overhauled in the Section and which are not covered by his AME licence.
8. *Radio Overhaul Section*.—Approval to certify item/items overhauled in the Section and which are not covered by his ARME licence.
9. *Components Overhaul*.—Approval to certify overhaul work in the Division for engineers holding 'B' licence on 1049 Aircraft or those who have passed Corporation's Sr. Engineers' Level examination.
10. *Power Plant Overhaul*.—Approval to certify overhaul work in the Division for engineers holding 'D' licence on DA engines of 1094 Aircraft or those who have passed Corporation's Sr. Engineers Level examination.

NOTE:—Whenever an Aircraft Maintenance Engineer is required to obtain approvals for certifying items which are not currently covered in his existing approval, he will be given the required training and experience to obtain such approval.

Appendix II

STATEMENT SHOWING THE EXHIBITS FILED BY THE AIR INDIA CORPORATION AND UNIONS

Items	Documents filed by Air-India Corporation	Documents filed by the Union U-II, U-III, U-IV, U-V, U-VI, U-VII
Miscellaneous	6, 7, 8, 9, 10, 11, 12, 15, 19, 23, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 109, 110.	U-II/1, 2, 20, 21, 22, 23, 50, 51, 52, 53, 54, 55, 56, 57, 58. U-III/5, 6, 41. U-V/2, 3, 4, 5. U-VI/11.
1. Scales and grades of pay	48, 49, 50, 51, 52, 53, 54, 111, 112.	U-II/21, 22, 23, 24, 31, 32, 43, 46, 47, 48, 49, 63, 64, 65, 66, 67, 68, 73. U-III/19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 39, 40. U-VI/1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33. U-VII/1, 2, 3, 4, 4A, 5, 6, 7, 8, 8A, 17, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29, 30, 31.
2. Fixation in the new pay-scales.	100-C	..

Items	M	U
3. 4-Weekly rates of payment of grade pay.	..	..
4. Dearness Allowance	55	U-II/25, 26, 27, 28, 29, 30, 33, 44. U-III/35, 36, 37, 38.
5. House rent allowance/conditions governing allotment of accommodation.	..	U-II/34, 35, 36, 45. U-VII/9.
6. Duty Allowance . . . . .	..	U-II/37
7. Machine Allowance . . . . .	..	U-II/38
8. Transport/car/conveyance allowance.	57	..
9. Overtime payment	22, 23	U-II/8, 9, 10, 17. U-III/7. U-V/7.
10. Working on Scheduled 'Off day'/holidays.	27, 28, 29	U-II/19. U-III/17.
11. Jet/hazard allowance for Ground staff.	..	U-II/39, 40.
12. Shift allowance	16, 17, 24, 25	U-II/11, 12, 18.
13. Licence allowance	58	U-II/41.
14. Heavy duty vehicle allowance.	56	..

Items	M	U
15. Jet allowance (cabin attendants and flight crew).	..	..
16. Overseas operation allowance.	..	..
17. Travelling allowance 100		..
18. Excess flying pay/excess duty allowance.	..	..
19. Efficiency bonus . . . . .	..	..
20. Insurance coverage 5		U-II/71. U-V/6.
21. Provident fund 1		U-III/1.
22. Flight duty time and flight time limitations and rest periods. 90, 91, 92, 93, 94, 95, 96, 97, 98, 99.		U-VI/20, 22. U-VII/11-A, 11-B, 12, 13 14, 15.
23. Leave facilities 26		U-II/13, 14, 15. U-III/14, 15.
24. Standard force (cabin attendants and flight crew). 100-B		..
25. Compensation for death or injury (relating to cabin attendants and flight crew).	..	..
26. Compensation for loss or damage to baggage of cabin attendants and flight crew.	100-A	..

Items	M	U
27. Passage regulations . . . 106
28. Washing allowance	U-II/42.
29. Accommodation and lay-over allowance at layover stations.	..	U-II/72. U-VII/16.
30. Medical benefits facilities.
31. Retirement age . . . 4, 4A, 13, 14		U-II/4. U-III/3, 4.
32. Foreign allowance . . . 101		U-VI/21.
33. Senior Check Pursers' Instructional allowance.
34. Outstation allowance . . . 102, 103, 104		U-II/60.
35. Resettlement allowance . . . 105		..
36. Children allowance
37. Driving allowance
38. Hours of work . . . 18, 20, 21		U-II/16. U-III/8, 9, 10, 11, 12, 13.
39. Promotion	U-II/61, 62.
40. Gratuity 2, 3		U-II/3, 6, 7. U-III/2. U-V/1.

Items	M	U
41. Command pay (Senior Captains)
42. 2nd Class Navigators' Licence Allowance.
43. Radio/Telephone Allowance
44. Check Pilots' Allowance
45. Night Flying Allowance
46. Retirement Benefits . . . 88, 89		U-II/5. U-IV/1, 2, & 3. U-VI/17-A, 17-B, 18 & 19.
47. Travel on duty	U-II/59.
48. Flight Engineer Instructors' Allowance.
49. Check allowance for Check flight Engineers.
50. Salary for Cadet Flight Engineers.
51. Special travelling allowance.
52. Emoluments of Check Navigators.
53. Endorsement allowance (Aircraft Maintenance Engineers).
54. Meal Allowance	U-III/16, 18.

Items	M	U
55. Secondary increments . . . . .	..	..
56. Date of Implementation	107, 108	..
57. Interim relief . . . . .	..	..

Appendix VIII

No. 3/1/65-NIT

GOVERNMENT OF INDIA NATIONAL INDUSTRIAL TRIBUNAL

DR. RAJENDRA PRASAD ROAD,

New Delhi, the 28th July, 1965.

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL

NEW DELHI

In the matter of reference under sub-section (1A) of Section 10 of the Industrial Disputes Act, 1947 (14 of 1947).

(Reference No. NIT-1 of 1964)

PARTIES:

Employers in relation to Messrs Air India, 87, Mahatma Gandhi Road, Bombay.

and

Their workmen as represented by Air India Employees' Union, Bombay.

PRESENT:

Shri G. D. Khosla, Presiding Officer.

Appearances at Bombay.

For the Employers:

Shri Sohrab D. Vimadalal, Bar-at-Law, with Shri S. K. Wadia, Solicitor and Shri A. S. Banavolikar, Personnel Manager.

For the Workmen:

Shri K. K. Singhvi with Shri K. S. Ramaswami and Shri K. T. Lakshmanan of the Air India Employees' Union.

ORDER NO. 23

Mr. Vimadalal, Counsel for Air-India, has taken objection to the production of a document called for by Mr. Singhvi, Counsel for Party No. 3.

The document in question, is a draft outline of the Fourth Five-Year Plan prepared by Air India. Mr. Singhvi's object in calling for this document is to show the resources of Air-India and its improving state as envisaged in the future plans prepared by the Management. Objection is taken to the production of the document on two grounds. It is urged, in the first place, that it is a privileged document protected by provisions of Section 123 of the Indian Evidence Act. Mr. Vimadalal contends that this document is an unpublished document and relates to the affairs of State inasmuch as it contains material which has been communicated by a public sector Undertaking to the Government. It contains information which is confidential and should not be revealed to the public at this stage. The determination of many problems before the Planning Commission is connected with this Five-Year Plan, for instance, provision of funds, provision of foreign exchange for purposes planned by Air-India. I am unable to accept this contention. The document may be a confidential plan prepared by Air-India, it may only be an outline draft and not yet finalised decision. But, it cannot be said to be a document which relates to affairs of State. It has been prepared by Air-India an autonomous Corporation carrying on an industry, and the commercial activities of a Government cannot be said to relate to affairs of State. No question of security is involved and I cannot look upon the document as anything more than the plans of a commercial undertaking, and in no way different from similar plans which might have been prepared by undertakings in the private sector. I, therefore, over-rule Mr. Vimadalal's contention regarding the claiming of privilege in respect of this document.

The second objection taken is that the document is irrelevant. This contention too, is without any force. A copy of the document has been placed before me and in brief outline it sets out the future plans. It contains information about the financial state of Air-India in the year 1963-64, the time when it was prepared. It also sets out the future expectations of Air-India during the years 1963-64 to 1970-71. This information has some relevance to the matters before me inasmuch as it has been contended on behalf of the Unions that Air-India has ample resources to give more relief to its workmen. In the circumstances, I hold that the document has some relevance to the matters before me, and over-ruling Mr. Vimadalal's contention, I order that it be produced.

The document will, however, be treated as confidential document at the request of Mr. Vimadalal under provisions of Section 21 of the Industrial Disputes Act.

BOMBAY,
July 28th, 1965.

(Sd./-) G. D. KHOSLA.

P. C. MATHUR,
Secretary,
[17 (1)/66-LRIV]